

# ELECTORAL COMMISSION

Report regarding the Management and Administration of the  
Represented Political Parties' Fund during the financial year  
1 April 2012 to 31 March 2013 in terms of Section 8 of the  
Public Funding of Represented Political Parties Act, 1997 (Act 103 of 1997)

**The Honourable MV Sisulu**  
**Speaker of the National Assembly**

I have the honour of submitting the Annual Report of the Electoral Commission regarding its management and administration of the Represented Political Parties' Fund for the year ended 31 March 2013, together with the audited financial statements and the report of the Auditor General for the period under review.

This report is hereby submitted to you for tabling in Parliament in accordance with section 8 of the Public Funding of Represented Political Parties' Act, 103 of 1997.



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**CHAIRPERSON**

*18 October 2013*

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**DATE**



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**CHIEF ELECTORAL OFFICER**

*18 October 2013*

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**DATE**

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# Allocations to Represented Political Parties

## ALLOCATIONS TO REPRESENTED POLITICAL PARTIES FOR THE YEAR ENDED 31 MARCH 2013

R108 236 911 was available to the fourteen Represented Political Parties, as follows:

97 413 220 Proportional (90%)

10 823 691 Equitable (10%)

**TABLE 1: TOTAL NUMBER OF MEMBERS - REPRESENTATION**

### LEGISLATURES

REPRESENTED POLITICAL PARTIES	NATIONAL ASSEMBLY	WESTERN CAPE	LIMPOPO	EASTERN CAPE	GAUTENG	KWAZULU NATAL	NORTHERN CAPE	NORTH WEST	MPUMALANGA	FREE STATE	TOTAL
AFRICAN CHRISTIAN DEMOCRATIC PARTY	3	1	NIL	NIL	1	1	NIL	NIL	NIL	NIL	6
AFRICAN INDEPENDENT CONGRESS	NIL	NIL	NIL	1	NIL	NIL	NIL	NIL	NIL	NIL	1
AFRICAN NATIONAL CONGRESS	264	14	43	44	47	51	19	25	27	22	556
AFRICAN PEOPLE'S CONVENTION	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1
AZANIAN PEOPLE'S ORGANISATION	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1
CONGRESS OF THE PEOPLE	30	3	4	9	6	1	5	3	1	4	66
DEMOCRATIC ALLIANCE	67	22	2	6	16	7	4	3	2	3	132
FREEDOM FRONT PLUS	4	NIL	NIL	NIL	1	NIL	NIL	NIL	NIL	1	6
INDEPENDENT DEMOCRATS	4	2	NIL	NIL	1	NIL	2	NIL	NIL	NIL	9
INKATHA FREEDOM PARTY	18	NIL	NIL	NIL	1	18	NIL	NIL	NIL	NIL	37
MINORITY FRONT	1	NIL	NIL	NIL	NIL	2	NIL	NIL	NIL	NIL	3
PAN AFRICANIST CONGRESS	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1
UNITED CHRISTIAN DEMOCRATIC PARTY	2	NIL	NIL	NIL	NIL	NIL	NIL	2	NIL	NIL	4
UNITED DEMOCRATIC MOVEMENT	4	NIL	NIL	3	NIL	NIL	NIL	NIL	NIL	NIL	7
<b>TOTAL</b>	<b>400</b>	<b>42</b>	<b>49</b>	<b>63</b>	<b>73</b>	<b>80</b>	<b>30</b>	<b>33</b>	<b>30</b>	<b>30</b>	<b>830</b>
NUMBER OF PARTIES		5	3	5	7	6	4	4	3	4	

# ALLOCATIONS TO REPRESENTED POLITICAL PARTIES FOR THE YEAR ENDED 31 MARCH 2013 (continued)

**TABLE 2: TRANSFER TO THE REPRESENTED POLITICAL PARTIES**

REPRESENTED POLITICAL PARTIES	NATIONAL ASSEMBLY R	PROVINCIAL LEGISLATURE R	TOTAL R	PAID APR-12 R	PAID JUL-12 R	PAID OCT-12 R	PAID JAN-13 R	TOTAL PAID R
AFRICAN CHRISTIAN DEMOCRATIC PARTY	704,191.96	809,559.36	1 513 751.32	378,437.83	378,437.83	378,437.83	378,437.83	1 513 751.32
AFRICAN INDEPENDENT CONGRESS	117,365.32	317,159.32	434 524.64	108,631.16	108,631.16	108,631.16	108,631.16	434 524.64
AFRICAN NATIONAL CONGRESS	65,255,120.79	2,374,799.33	67 629 920.12	16,907,480.03	16,907,480.03	16,907,480.03	16,907,480.03	67 629 920.12
AFRICAN PEOPLE'S CONVENTION	117,365.32	-	117 365.32	29,341.33	29,341.33	29,341.33	29,341.33	117 365.32
AZANIAN PEOPLE'S ORGANISATION	117,365.32	-	117 365.32	29,341.33	29,341.33	29,341.33	29,341.33	117 365.32
CONGRESS OF THE PEOPLE	7,746,111.47	2,374,799.33	10 120 910.80	2,530,227.70	2,530,227.70	2,530,227.70	2,530,227.70	10 120 910.80
DEMOCRATIC ALLIANCE	15,492,222.91	2,374,799.33	17 867 022.24	4,466,755.56	4,466,755.56	4,466,755.56	4,466,755.56	17 867 022.24
FREEDOM FRONT PLUS	704,191.93	451,286.79	1 155 478.72	288,869.68	288,869.68	288,869.68	288,869.68	1 155 478.72
INDEPENDENT DEMOCRATS	1,056,287.94	662,726.34	1 719 014.28	429,753.57	429,753.57	429,753.57	429,753.57	1 719 014.28
INKATHA FREEDOM PARTY	4,342,517.03	598,119.81	4 940 636.84	1,235,159.21	1,235,159.21	1,235,159.21	1,235,159.21	4 940 636.84
MINORITY FRONT	352,095.99	335,618.33	687 714.32	171,928.58	171,928.58	171,928.58	171,928.58	687 714.32
PAN AFRICANIST CONGRESS	117,365.32	-	117 365.32	29,341.33	29,341.33	29,341.33	29,341.33	117 365.32
UNITED CHRISTIAN DEMOCRATIC PARTY	469,461.32	207,663.84	677 125.16	169,281.29	169,281.29	169,281.29	169,281.29	677 125.16
UNITED DEMOCRATIC MOVEMENT	821,557.28	317,159.32	1 138 716.60	284,679.15	284,679.15	284,679.15	284,679.15	1 138 716.60
<b>TOTALS</b>	<b>97 413 219.90</b>	<b>10 823 691.10</b>	<b>108 236 911.00</b>					

## EXPENDITURE BY REPRESENTED POLITICAL PARTIES

for the year ended 31 March 2013

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	African National Congress (ANC)	African People's Convention (APC)	Azanian People's Organisation (AZAPO)	Congress of the People (COPE)	Democratic Alliance (DA)	Freedom Front Plus (FF)	Independent Democrats (ID)	Inkatha Freedom Party (IFP)	Minority Front (MF)	Pan Africanist Congress (PAC)*	United Christian Democratic Party (UCDP)	United Democratic Movement (UDM)	Total
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
<b>Allocations for the year</b>	1 513 751	434 525	67 629 920	117 365	117 365	10 120 911	17 867 022	1 155 479	1 719 014	4 940 637	687 714	117 365	677 125	1 138 717	108 236 910
<b>Amount set-off i.t.o. Sec 7(2)(b) of Act</b>												(30 300)			(30 300)
<b>Total allocation</b>	1 513 751	434 525	67 629 920	117 365	117 365	10 120 911	17 867 022	1 155 479	1 719 014	4 940 637	687 714	87 065	677 125	1 138 717	108 206 610
<b>Less: Total Expenditure</b>	(1 453 699)	(422 392)	(67 806 988)	(132 783)	(121 116)	(6 481 431)	(20 747 331)	(1 146 258)	(1 320 253)	(4 836 316)	(899 353)	(88 211)	(673 375)	(1 139 310)	(107 268 816)
Personnel expenditure	527 929	177 700	52 907 252	-	-	-	12 497 458	483 820	186 212	1 746 669	161 448	21 941	401 813	54 000	69 166 242
Accommodation expenditure	9 471	-	3 592 913	-	3 800	-	-	-	75 778	202 322	-	-	-	-	3 884 284
Travel expenditure	138 425	17 345	-	-	2 901	771 437	2 277 553	79 198	38 885	213 093	-	-	-	4 835	3 543 672
Arrangements of meetings and rallies	202 456	98 450	7 574 220	7 500	-	3 827 678	-	47 552	153 464	322 846	21 337	214	-	40 000	12 295 717
Administrative expenditure	354 756	93 897	3 674 282	10 321	114 415	784 339	5 972 320	509 079	777 655	1 957 452	501 687	64 056	266 862	21 623	15 102 744
Promotion and publications	220 662	35 000	58 321	114 962	-	1 097 977	-	26 609	88 259	393 934	214 881	2 000	-	1 018 852	3 271 457
Fixed asset expenditure	-	-	-	-	-	-	-	-	-	-	-	-	4 700	-	4 700
<b>Unspent money at the end of year</b>	<b>60 052</b>	<b>12 133</b>	<b>(177 068)</b>	<b>(15 418)</b>	<b>(3 751)</b>	<b>3 639 480</b>	<b>(2 880 309)</b>	<b>9 221</b>	<b>398 761</b>	<b>104 321</b>	<b>(211 639)</b>	<b>(1 146)</b>	<b>3 750</b>	<b>(593)</b>	<b>937 794</b>
Plus: Interest and other income received	20 106	-	116	-	50	34 178	175 626	3 091	32 908	-	-	-	-	-	266 075
<b>Surplus / (deficit) for the year</b>	<b>80 158</b>	<b>12 133</b>	<b>(176 952)</b>	<b>(15 418)</b>	<b>(3 701)</b>	<b>3 673 658</b>	<b>(2 704 683)</b>	<b>12 312</b>	<b>431 669</b>	<b>104 321</b>	<b>(211 639)</b>	<b>(1 146)</b>	<b>3 750</b>	<b>(593)</b>	<b>1 203 869</b>

### Notes:

- Two political parties did not submit the audited financial statements for the financial year ending 31 March 2013 in time as required by section 6(5) of the PFRPP Act. They are AZAPO and PAC.



# Extracts of Represented Political Parties' Financial Statements

# AFRICAN CHRISTIAN DEMOCRATIC PARTY (ACDP)



## BALANCE SHEET as at 31 March 2013

	Notes	2013 R	2012 R
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	2	1,908	7,426
<b>Current assets</b>			
Trade and other receivables	3	47,571	28,534
Cash and cash equivalents	4	460,551	378,703
		508,122	407,237
<b>Total assets</b>		<b>510,030</b>	<b>414,663</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Retained earnings		395,981	315,823
<b>Current liabilities</b>			
Trade and other creditors	5	114,049	98,840
<b>Total equity and liabilities</b>		<b>510,030</b>	<b>414,663</b>

Certified by Accounting Officer:

SN Swart

Audited by:

PriceWaterhouseCoopers

Audit Opinion:

Unqualified

## CASH FLOW STATEMENT for the year ended 31 March 2013

	Notes	2013	2012
<b>Cash flow from operating activities</b>			
Cash flow from operating activities	11	61,671	93,334
<b>Cash flow from investing activities</b>			
Acquisition of fixed assets		(599)	-
Interest received		20,106	12,613
Net cash generated/(used) in investing activities		19,507	12,613
<b>Net increase in cash and cash equivalents</b>		<b>81,478</b>	<b>105,947</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>378,703</b>	<b>272,756</b>
<b>Cash and cash equivalents at end of year</b>	4	<b>460,181</b>	<b>378,703</b>



**INCOME STATEMENT for the year ended 31 March 2013**

	<b>2013</b>	<b>2012</b>
	<b>R</b>	<b>R</b>
<b>INCOME</b>		
Allocation from fund	1,513,751	1,453,108
Interest received	20,106	12,613
	<hr/>	<hr/>
	1,533,857	1,465,721
Less: <b>EXPENSES</b>	1,453,699	1,395,953
<b>Accommodation</b>	9,471	390
<b>Arrangements of meetings and rallies</b>	202,456	109,014
Meals and refreshments	25,479	6,901
Rent – conference venues	161,977	91,383
Secretarial Services	15,000	6,000
Travel	-	4,730
	<hr/>	<hr/>
	354,756	439,743
<b>Administration</b>	35,816	35,759
Audit fees	35,816	36,130
- audit fees current year	35,816	36,130
- (over) / under provision previous year	-	(371)
Bank charges	11,101	11,108
Cleaning materials	4,972	4,900
Depreciation	6,117	11,671
Insurance	7,936	6,265
Legal fees	-	75,441
Membership and licenses	1,394	1,315
Rental	145,321	136,659
- Head office	81,101	70,783
- Provincial office	-	4,000
- Other office space	14,400	14,400
- Office equipment	49,820	47,476
Repairs and maintenance	4,990	7,636
Stationery	23,867	25,181
Telephone and postage	62,483	80,982
Water and electricity, rates and taxes	50,759	42,826



**INCOME STATEMENT for the year ended 31 March 2013**

	<b>2013</b>	<b>2012</b>
	<b>R</b>	<b>R</b>
<b>Promotions and publications</b>	220,662	291,118
Advertisements	23,370	36,140
Entertainment expenditure	988	1,210
Promotions	130,782	225,296
Website	65,522	28,472
<b>Personnel Expenditure</b>	527,929	471,954
Salaries	480,068	461,634
Telephone allowance	-	5,544
Training	42,500	-
Unemployment Insurance fund	5,361	4,776
<b>Travel</b>	138,425	83,734
<b>Net profit for the year</b>	<u>80,158</u>	<u>69,768</u>

# AFRICAN INDEPENDENT CONGRESS (AIC)



## BALANCE SHEET as at 31 March 2013

	Notes	2013 R	2012 R
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Furniture and office equipment	4	31,968	25,306
<b>Current assets</b>			
Loan receivable	6	9,500	3,500
Cash and Cash Equivalents		601	380
<b>TOTAL ASSETS</b>		<b>42,069</b>	<b>29,186</b>
<b>CAPITAL ACCOUNT AND LIABILITIES</b>			
<b>Capital Account</b>			
Accumulated Surplus		30,319	18,186
<b>Current liabilities</b>			
Accounts Payable		11,750	11,000
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,069</b>	<b>29,186</b>

Certified by:

MP Galo

Audited by:

Nicholson & Company

Audit Opinion:

Unqualified



**INCOME STATEMENT for the year ended 31 March 2013**

		<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>IINCOME</b>			
Grants received - IEC		434,525	417,117
<b>EXPENDITURE</b>		<b>(422,392)</b>	<b>(410,073)</b>
<b>Personnel Expenses</b>			
Staff salaries		177,700	213,500
<b>Travel</b>		<b>17,345</b>	<b>35,130</b>
Car hire		5,400	5,900
Petrol and motor vehicle repairs		11,945	29,230
<b>Arrangement of Meetings and Rallies</b>		<b>98,450</b>	<b>9,500</b>
Catering		62,000	2,500
Conference facilities		4,000	1,500
Hire of hall and decorations		17,050	-
Hire of taxis and other transport		15,400	5,500
<b>Administrative</b>		<b>93,897</b>	<b>134,443</b>
Auditor's remuneration	3	11,750	11,000
Bank charges		7,791	6,318
Depreciation	4	3,928	2,783
Electricity		800	400
Interest on overdraft		4	-
Legal expenses		6,321	-
Office rentals		40,294	67,248
Printing and stationery		3,600	-
Registration fees for by-elections		10,500	-
Repayment of loans		-	12,000
Sundry office expenses		912	-
Telephone, faxes and photocopies		7,997	34,694
<b>Promotions and Publications</b>		<b>35,000</b>	<b>17,500</b>
Gala dinner		5,000	-
Leadership magazine		-	15,000
T-shirts		29,000	-
Posters		1,000	-
Speakers		-	2,500
<b>Surplus for the year</b>		<b>12,133</b>	<b>7,044</b>


**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Furniture and equipment	3	5,189	197,719
Intangible assets	4	5,185	197,715
		4	4
<b>Current assets</b>			
Cash and cash equivalents	5	23,687	8,109
		23,687	8,109
<b>TOTAL ASSETS</b>		<b>28,876</b>	<b>205,828</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated (loss) / surplus		(191,124)	(14,172)
		(191,124)	(14,172)
<b>Current liabilities</b>			
Trade and other payables	6	220,000	220,000
		220,000	220,000
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,876</b>	<b>205,828</b>

Certified by Accounting Officer:

Z Mkhize

Audited by:

Deloitte &amp; Touche

Audit Opinion:

Unqualified

**STATEMENT OF CASH FLOWS for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>Cash flow from operating activities</b>			
Cash received from the Independent Electoral Commission		67,629,920	64,920,567
Cash paid to suppliers and employees		(67,614,458)	(64,921,624)
<b>Cash generated from / (utilised in) operations</b>	7	15,462	(1,057)
Finance costs		116	129
<b>Net cash generated from / (utilised in) operating activities</b>		15,578	(928)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of the year		8,109	9,037
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	5	<b>23,687</b>	<b>8,109</b>



**STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2013**

	<b>2013</b>	<b>2012</b>
	<b>R</b>	<b>R</b>
<b>INCOME</b>	67,630,036	64,920,696
Grants received	67,629,920	64,920,567
Interest Income	116	129
<b>EXPENDITURE</b>		
<b>Personnel expenditure</b>		
Salaries	52,907,252	53,162,503
<b>Accommodation expenditure</b>		
Accommodation and meals	3,592,913	45,128
<b>Travel expenses</b>	-	206,422
Air travel – internal	-	36,902
Air travel – external	-	169,520
<b>Arrangement of meeting and rallies</b>	7,574,220	1,826,419
Catering	1,609,879	87,759
Hiring - buses and taxis	-	284,880
- conference venues	5,948,331	946,850
Equipment rentals – Public Addressing	16,010	506,930
<b>Administrative – general</b>	2,711,165	3,720,221
Cleaning	569,326	693,550
Communication expenses - telephone fax modem	212,870	1,425,378
Maintenance and repairs - buildings	95,750	119,935
Security services	1,247,577	1,206,537
Stationery	272,120	274,821
Website maintenance	122,590	-
Server expenses	77,217	-
Membership expenses	113,715	-





**STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2013**

	<b>2013</b>	<b>2012</b>
	<b>R</b>	<b>R</b>
<b>Administrative – other</b>	963,117	1,298,427
Audit costs – Independent Electoral Commission	209,418	219,500
Bank charges	2,426	1,558
Depreciation and amortisation	192,530	211,585
Internet maintenance	316,766	390,559
Rental - parking	80,100	253,500
Services rendered	-	97,470
Subscription fees	80,130	-
Office catering	81,747	92,563
Rental-office equipment	-	31,692
<b>Promotions and publications</b>	58,321	4,894,089
Backing boards	-	2,565,000
Advertisements - Other	-	1,721,442
Photocopy consumables	7,447	289
Hire of sound system	6,270	-
Press conference and media	23,620	35,860
Printing and production - pamphlets	20,984	-
Putting of posters	-	40,000
Promotional t-shirts, caps and flags	-	531,498
<b>Deficit for the year</b>	<b>(176,952)</b>	<b>(232,513)</b>



**BALANCE SHEET as at 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash balances	7	968	16,385
<b>Total assets</b>		<b>968</b>	<b>16,385</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves			
Retained surplus/ (shortage)		4,385	(11,183)
Surplus / (deficit) for the period		(15,417)	15,568
		(11,032)	4,385
<b>Liabilities</b>			
<b>Current liabilities</b>			
Sundry creditors	9	12,000	12,000
		12,000	12,000
<b>Total equity and liabilities</b>		<b>968</b>	<b>16,385</b>

Certified by Accounting Officer:

M Mokoena

Audited by:

Nameng Chartered Accountants (SA) Inc

Audit Opinion:

Unqualified

**CASH FLOW STATEMENT for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipt from IEC and other receipts		117,365	112,664
Cash paid to suppliers and employees		(132,782)	(97,096)
Cash generated/utlised by operations		<b>(15,417)</b>	<b>15,568</b>
<b>Operating surplus/ (shortage) before working capital changes</b>		<b>(15,417)</b>	<b>15,568</b>
<b>Cash generated from operations</b>		<b>(15,417)</b>	<b>15,568</b>
<b>Net cash inflow/ (outflow) from operating activities</b>		<b>(15,417)</b>	<b>15,568</b>
<b>Net increase/ (decrease) in cash and cash equivalent for the year</b>		<b>(15,417)</b>	<b>15,568</b>
Cash equivalents at the beginning of the year		16,385	817
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>968</b>	<b>16,385</b>



**STATEMENT OF INCOME AND EXPENDITURE for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>INCOME</b>			
Grant from IEC	6.1	117,365	112,664
<b>TOTAL INCOME</b>		<b>117,365</b>	<b>112,664</b>
<b>EXPENSES</b>			
Administration		10,321	16,701
Promotions and Publications		114,962	69,000
Meetings and Rallies		7,500	11,395
<b>TOTAL</b>		<b>132,783</b>	<b>97,096</b>
<b>TOTAL EXPENSES</b>		<b>132,783</b>	<b>97,096</b>
<b>SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<b>(15,417)</b>	<b>15,568</b>



**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	Notes	2013 R	2012 R
<b>Assets</b>			
<b>Current Assets</b>		<b>386</b>	<b>4,087</b>
Cash and cash equivalents		386	4,087
<b>Total Assets</b>		<b>386</b>	<b>4,087</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>		<b>386</b>	<b>4,087</b>
Accumulated Funds		386	4,087
<b>Total Equity and Liabilities</b>		<b>386</b>	<b>4,087</b>

Certified by Accounting Officer:

RD Monnakgotla

Audited by:

ENK Corporate Accountants & Auditors

Audit Opinion:

Unqualified

**STATEMENT OF CASH FLOW for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>Cash flows from operating activities</b>		<b>(3,701)</b>	<b>4,087</b>
Cash received from operations		117,415	112,664
Cash paid to suppliers and employees		(121,116)	(108,577)
<b>Net cash in/(outflow) from operating activities</b>		<b>(3,701)</b>	<b>4,087</b>
<b>Cash and cash equivalents</b>		<b>(3,701)</b>	<b>4,087</b>
<b>Net increase in cash equivalents</b>		<b>-</b>	<b>4,087</b>
<b>At the beginning of the year</b>		<b>4,087</b>	<b>-</b>
<b>Cash and cash equivalents at end of the year</b>		<b>386</b>	<b>4,087</b>



## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2013

	Notes	2013 R	2012 R
<b>TOTAL INCOME</b>		<b>112,664</b>	<b>112,664</b>
Grants from the Independent Electoral Commission		117,365	112,664
Other		50	-
<b>GROSS REVENUE</b>		<b>117,415</b>	<b>112,664</b>
<b>LESS: TOTAL EXPENDITURE</b>		<b>(121,116)</b>	<b>(108,577)</b>
<b>Administration</b>		<b>114,415</b>	<b>98,758</b>
Audit fees		3,000	-
Bank charges		998	563
Cleaning of office		525	1,575
Rent, water and lights		109,552	96,602
Sundry		-	18
Printing and stationery		340	-
<b>Personnel</b>		<b>-</b>	<b>8,019</b>
Stipends		-	8,019
<b>Travel expenses</b>		<b>2,901</b>	<b>1,100</b>
Office bearers and officials		2,901	1,100
<b>Accommodation</b>		<b>3,800</b>	<b>700</b>
For conference attendance		3,800	700
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(3,701)</b>	<b>4,087</b>



STATEMENT OF FINANCIAL POSITION as at 31 March 2013

	Notes	2013 R	2012 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	185,000	-
<b>Current Assets</b>			
Trade and other receivables	4	-	800,000
Cash and cash equivalents	5	3,919,467	180,012
		<b>3,919,467</b>	<b>980,012</b>
		<b>4,104,467</b>	<b>980,012</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		3,783,545	109,887
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans from related parties	3	111,321	191,468
<b>Current Liabilities</b>			
Trade and other payables	4	209,601	678,657
<b>Total Liabilities</b>		<b>320,922</b>	<b>870,125</b>
<b>Total Equity and Liabilities</b>		<b>4,104,467</b>	<b>980,012</b>

Certified by Accounting Officer:  
Audited by:  
Audit Opinion:

D Carter  
C2M Chartered Accountants Inc  
Unqualified



**STATEMENT OF CASH FLOWS for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	3,970,424	(39,175)
Interest income		34,178	16,040
<b>Net cash from operating activities</b>		<b>4,004,602</b>	<b>(23,135)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(185,000)	-
Proceeds from loans from group companies		-	203,147
Repayment of loans from group companies		(80,147)	-
<b>Net cash from investing activities</b>		<b>(265,147)</b>	<b>203,147</b>
<b>Total cash movement for the year</b>		<b>3,739,455</b>	<b>180,012</b>
Cash at the beginning of the year		180,012	-
<b>Total cash at end of the year</b>	5	<b>3,919,467</b>	<b>180,012</b>



**STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>Revenue</b>			
Funding received from the IEC		10,120,911	9,715,452
<b>Other income</b>			
Interest received	8	34,178	16,040
<b>Operating expenses</b>			
<b>Administrative Expenses</b>		<b>(2,811,543)</b>	<b>(1,728,602)</b>
Accounting fees		-	(50,000)
Auditors remuneration	9	(167,080)	(357,612)
Bank charges		(23,953)	(39,383)
Consulting and profesional fees		(4,488)	-
Motor vehicle expenses		(20,234)	(57,592)
Printing and stationary		(229,861)	(126,452)
Telephone and fax		(74,843)	(53,523)
Computer expenses		(163,081)	(86,377)
Lease rentals on operating lease		-	(887,982)
Advertising		(2,095,165)	(69,681)
Removal & Storage		(6,182)	
Hosting Charges		(26,656)	
<b>Arrangement of meetings and rallies</b>		<b>(1,800,474)</b>	<b>(2,560,313)</b>
Catering		-	(7,400)
Conferences		(732,143)	(2,552,913)
Conferences - Meetings		(633,630)	-
Arrangement of meetings and rallies		(20,905)	-
Cope Youth and Women's Movement		(413,796)	-
<b>Promotions and Publications</b>		<b>(1,097,977)</b>	<b>(2,198,690)</b>
Electioneering		(406,737)	(2,198,690)
Promotions and Publications		(691,240)	-
<b>Personnel expenditure</b>		<b>-</b>	<b>(2,224,239)</b>
<b>Travel and accommodation</b>		<b>(771,437)</b>	<b>(921,440)</b>
Petrol and oil		(46,503)	-
Transport and freight		(3,890)	-
Travel and accommodation		(721,044)	(921,440)
		<b>(6,481,431)</b>	<b>9,633,284</b>
<b>Profit (loss) for the year</b>		<b>3,673,658</b>	<b>98,208</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>3,673,658</b>	<b>98,208</b>





**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	-	328
<b>Current Assets</b>			
Deposits	3	43,351	2,717
Cash and cash equivalents	4	1,314,549	4,147,760
		<b>1,357,900</b>	<b>4,150,477</b>
<b>Total Assets</b>		<b>1,357,900</b>	<b>4,150,805</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		925,224	3,629,906
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	5	432,676	520,899
<b>Total Equity and Liabilities</b>		<b>1,357,900</b>	<b>4,150,805</b>

Certified by Accounting Officer:

J Moakes

Audited by:

BBR Van Der Grijp & Associates

Audit Opinion:

Unqualified

**STATEMENT OF CASH FLOWS for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	11	(3,008,837)	2,781,295
Interest income		175,626	144,573
<b>Net cash from / (to) operating activities</b>		<b>(2,833,211)</b>	<b>2,925,868</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(4,448)
<b>Total cash movement for the year</b>		<b>(2,833,211)</b>	<b>2,921,420</b>
Cash at beginning of the year		4,147,760	1,226,340
<b>Total cash at end of the year</b>	4	<b>1,314,549</b>	<b>4,147,760</b>



**STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>Income</b>			
Allowance received from Independent Electoral Commission		17,867,022	17,151,243
Interest received	8	175,626	144,573
		<b>18,042,648</b>	<b>17,295,816</b>
<b>Expenditure</b>			
<b>Personnel expenditure</b>			
Insurance: UIF		61,392	44,137
Medical funds		362,781	224,142
Pension funds		509,845	277,076
Salaries		11,452,128	8,145,074
Skills development levies		111,311	84,252
		<b>12,497,458</b>	<b>8,774,681</b>
<b>Travel Expenditure</b>			
		<b>2,277,553</b>	<b>1,829,902</b>
<b>Administrative expenditure</b>			
Auditor's remuneration	10	70,965	28,272
Bank charges		10,987	8,870
Communication expenditure: telephone and fax		1,459,173	987,633
Consultancy fees		-	1,710
Courier and transport		-	19,500
Depreciation		327	4,447
Insurance		195,818	72,029
Internet		150,643	204,741
Maintenance and repairs: building		401,406	993,180
Maintenance and repairs: computers		2,016,457	246,740
Maintenance and repairs: equipment		30,769	7,068
Newspapers, books and publications		223,262	11,663
Printing and stationery		11,512	227,192
Recruitment of staff		83,904	24,138
Refreshments and sundries		75,046	22,296
Rent and electricity		807,001	383,736
Rental office equipment		-	54,028
Security expenses		16,558	17,521
Staff training		418,493	526,646
		<b>5,972,320</b>	<b>3,841,410</b>
<b>Total expenditure</b>		<b>20,747,330</b>	<b>14,445,993</b>
<b>Total Comprehensive (deficit) / surplus for the year</b>	7	<b>(2,704,682)</b>	<b>2,849,823</b>

**FREEDOM FRONT PLUS (FF)****BALANCE SHEET as at 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Equipment and furniture	2	1	1
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	39,181	21,093
Accounts Receivable		22,181	21,093
		17,000	-
<b>TOTAL ASSETS</b>		<b>39,182</b>	<b>21,094</b>
<b>RESERVE AND LIABILITIES</b>			
Unutilized surplus	4	33,406	21,094
		33,406	21,094
<b>CURRENT LIABILITIES</b>			
Accounts Payable		5,776	-
<b>TOTAL RESERVE AND LIABILITIES</b>		<b>39,182</b>	<b>21,094</b>

Certified by Accounting Officer:

PD Uys

Audited by:

Brink &amp; Brink Inc

Audit Opinion:

Unqualified

**CASH FLOW STATEMENT for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash (utilised) / generated from operations	6.1	1,088	(3,454)
Interest received		(2,003)	(5,730)
		3,091	2,276
Net increase / (decrease) in cash and cash equivalents		1,088	(3,454)
Cash and cash equivalents at beginning of period		21,093	24,547
Cash and cash equivalents at end of year		22,181	21,093



**INCOME STATEMENT for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>INCOME</b>			
Allocation from fund		1,155,479	1,109,188
<b>EXPENDITURE</b>		<b>1,146,258</b>	<b>1,159,310</b>
<b>Administration costs</b>		<b>509,079</b>	<b>487,274</b>
- Audit fees		15,837	16,422
- Administration fees paid to branches		308,139	320,952
- Bank charges		2,756	2,446
- Computer expenses		5,936	1,137
- Insurances		7,227	8,203
- Legal fees		1,239	-
- Writing off of equipment		11,000	-
- Maintenance & cleaning		-	7,262
- Rent of property, levies and municipal costs		73,808	76,188
- Storage		4,500	4,100
- Levies		19,972	30,258
- Property rates		49,336	41,830
- Stationery, postage and couriers		4,832	4,813
- Subscriptions		47,223	16,035
- Telephone, fax & internet		31,082	33,816
<b>Arrangement of meetings and rallies</b>		<b>47,552</b>	<b>68,986</b>
- Meals and refreshments		47,552	63,501
- Hiring of venues		-	5,485
<b>Personnel expenditure</b>		<b>483,820</b>	<b>398,287</b>
<b>Promotions and publications</b>		<b>26,609</b>	<b>120,520</b>
- Printing		-	20,000
- Promotions, websites & bulk sms's		26,609	100,520
<b>Travelling expenses</b>		<b>79,198</b>	<b>84,243</b>
Defecit for the year		9,221	(50,122)
Plus Interest received		3,091	2,276
Net Profit / (Loss) for the year		<b>12,312</b>	<b>(47,846)</b>



## STATEMENT OF FINANCIAL POSITION as at 31 March 2013

	Notes	2013 R	2012 R
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	80,222	-
<b>Current Assets</b>			
Cash and cash equivalents	3	1,375,465	776,499
<b>Total Assets</b>		<b>1,455,687</b>	<b>776,499</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		937,364	505,694
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	518,323	270,805
<b>Total Equity and Liabilities</b>		<b>1,455,687</b>	<b>776,499</b>

Certified by Accounting Officer:

MH Hoosen

Audited by:

MVB Registered Accountants and Auditors

Audit Opinion:

Unqualified

## STATEMENT OF CASH FLOWS for the year ended 31 March 2013

	Notes	2013 R	2012 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	726,502	756,910
Interest income		32,908	18,464
<b>Net cash from operating activities</b>		<b>759,410</b>	<b>775,374</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(160,444)	-
<b>Total cash movement for the year</b>		<b>598,966</b>	<b>775,374</b>
Cash at the beginning of the year		776,499	1,124
<b>Total cash at end of the year</b>	3	<b>1,375,465</b>	<b>776,498</b>



**DETAILED EXPENSE STATEMENT For the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>Revenue</b>			
Government Grants		1,719,014	1,650,148
<b>Other income</b>			
Interest received		32,908	18,464
<b>Operating expenditure</b>			
Administration expenditure		777,655	135,253
Audit fees		17,500	17,500
Bank charges		40,998	6,434
Consulting fees		45,000	4,971
Advertising and promotions		180,610	-
Printing and stationery		18,522	-
Finance charges		12	-
Secretarial fees		264,000	-
Depreciation		80,222	10,864
Research		105,966	34,200
Subscriptions		21,935	23,084
Telephone		2,890	18,200
Accommodation		75,778	32,684
Arrangement of meetings and rallies		153,464	246,883
Personnel expenditure			
Employee costs		186,212	205,254
Promotions and Publications		88,259	9,291
Travel expenses		38,885	83,467
		1,320,253	712,832


**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	338	330
<b>Current Assets</b>			
Cash and cash equivalents	3	535,835	321,743
<b>TOTAL ASSETS</b>		<b>536,173</b>	<b>322,073</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Accumulated surplus		426,394	322,073
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	109,779	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>536,173</b>	<b>322,073</b>

Certified by Accounting Officer:

K Worthington

Audited by:

Nolands Richmond Incorporated

Audit Opinion:

Unqualified

**CASH FLOW STATEMENT for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	5	1,523,284	568,385
Interest income		-	38
<b>Net cash from operating activities</b>		<b>1,523,284</b>	<b>568,423</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	2	(1,309,192)	(256,477)
<b>Net cash movement for the year</b>		<b>214,092</b>	<b>311,946</b>
Cash and cash equivalents at the beginning of the year		321,743	9,797
<b>Cash and cash equivalents at end of the year</b>	3	<b>535,835</b>	<b>321,743</b>


**INCOME STATEMENT for the year ended 31 March 2013**

<b>Notes</b>	<b>2013</b>	<b>2012</b>
	<b>R</b>	<b>R</b>
<b>Revenue</b>	4,940,637	4,742,708
<b>Operating expenses</b>	(4,836,316)	(4,430,797)
<b>Personnel expenditure</b>	<b>1,746,669</b>	<b>2,596,380</b>
Salaries - employees	1,114,808	1,950,827
Pension contributions	631,861	643,491
Staff welfare	-	2,062
<b>Travel expenditure</b>	<b>213,093</b>	<b>476,007</b>
Air travel – internal	-	27,965
Travel - overseas	51,930	88,631
Car rental	30,088	316,306
Parking fees and toll roads	66,075	43,105
Public transport	65,000	-
<b>Accommodation</b>	<b>202,322</b>	<b>217,436</b>
Hotel expenditure	202,322	217,436
<b>Arrangement of meeting and rallies</b>	<b>322,846</b>	<b>78,818</b>
Food and beverage	55,010	20,653
Hiring - conference venues	100,000	-
Hiring - buses and taxis	55,600	2,149
Renting equipment – other	21,264	27,930
Security	90,972	28,086
<b>Administration expenditure</b>	<b>1,957,452</b>	<b>1,020,671</b>
Auditors remuneration	33,636	28,500
Bank charges	1,365	3,183
Cleaning	218	2,128
Communication expenditure: telephone, fax and modem	191,988	131,212
Computer expenses	-	14,199
Depreciation: Computer equipment	45,703	-
Depreciation: Office equipment	-	14,413
Depreciation: Motor vehicles	1,263,481	242,061
General expenses	3,488	-
Legal costs	138,338	51,841
Maintenance and repairs - buildings	44,678	4,653
Maintenance and repairs - computers	9,727	15,413
Maintenance and repairs - equipment	13,813	18,338
Maintenance and repairs - motor vehicles	4,728	20,350
Rent paid	16,641	262,697




**INCOME STATEMENT for the year ended 31 March 2013** (continued)

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
Rental - office equipment		21,493	88,241
Stationery		166,757	113,211
Subscriptions		-	2,964
Utilities		1,398	7,267
<b>Promotions and publications</b>		<b>393,934</b>	<b>41,485</b>
Advertising		5,800	2,723
Printing and production: posters, books and pamphlets		18,434	4,849
Promotional T shirts, badges, keyrings and caps		369,700	33,913
<b>Total expenditure</b>		<b>4,836,316</b>	<b>4,430,797</b>
<b>Operating surplus</b>		<b>104,321</b>	<b>311,911</b>
Investment revenue		-	38
<b>Surplus for the year</b>		<b>104,321</b>	<b>311,949</b>


**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	Notes	2013 R	2012 R
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment		81	81
Current Assets			
Trade and receivables		1,000	-
Cash and cash equivalents		21,954	219,912
		<b>22,954</b>	<b>219,912</b>
<b>Total Assets</b>		<b>23,035</b>	<b>219,993</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated loss		(56,631)	155,008
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables		79,666	64,985
<b>Total Equity and Liabilities</b>		<b>23,035</b>	<b>219,993</b>

Certified by Accounting Officer:

V Ramdaas-Bachu

Audited by:

Logie Govendor &amp; Co

Audit Opinion:

Unqualified

**STATEMENT OF CASH FLOWS for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations		(197,958)	183,187
<b>Total cash movement for the year</b>		<b>(197,958)</b>	<b>183,187</b>
Cash at the beginning of the year		219,912	36,725
<b>Total cash at the end of the year</b>		<b>21,954</b>	<b>219,912</b>



**STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>Other Income</b>			
Allocation from Fund		687,714	660,163
<b>Operating expenses</b>			
Administration expenditure	9	(501,687)	(215,013)
Arrangement of meetings and rallies	10	(21,337)	(89,149)
Personnel expenditure	11	(161,448)	(17,000)
Promotions and publications	12	(214,881)	(164,039)
		<b>(899,353)</b>	<b>(485,201)</b>
<b>(Deficit) surplus for the year</b>		<b>(211,639)</b>	<b>174,962</b>



**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	Notes	2013 R	2012 R
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	2	816	3,411
<b>Total Assets</b>		<b>816</b>	<b>3,411</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		816	3,411
<b>Total Equity and Liabilities</b>		<b>816</b>	<b>3,411</b>

Certified by:	JTolo
Audited by:	Nexia SAB&T
Audit Opinion:	Unqualified

**STATEMENT OF CASH FLOWS for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>Cash flows from operating activities</b>			
Cash (used in) generated by operations		(1,146)	6,141
Finance costs		(1,449)	(3,513)
<b>Net cash from operating activities</b>		<b>(2,595)</b>	<b>2,628</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		3,411	783
<b>Total cash at end of the year</b>	2	<b>816</b>	<b>3,411</b>



**STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>IEC income</b>		87,065	130,750
<b>Revenue</b>			
<b>Other income</b>			
Donations		-	9,007
<b>Operating expenses</b>			
Accommodation		-	(12,244)
Administrative expenditure		(64,056)	(11,220)
Arrangement of meetings and rallies		(214)	(25,452)
Personnel expenditure		(21,941)	(7,000)
Promotions and publications		(2,000)	(37,700)
Travel expenditure		-	(40,000)
		(88,211)	(133,616)
<b>Operating (deficit) surplus</b>	4	<b>(1,146)</b>	<b>6,141</b>
Finance costs		(1,449)	(3,513)
<b>(Deficit) surplus for the year</b>		<b>(2,595)</b>	<b>2,628</b>
Other comprehensive income		-	-
<b>Total comprehensive (deficit) surplus for the year</b>		<b>(2,595)</b>	<b>2,628</b>



**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment, furniture and fittings	2	49	49
<b>Current assets</b>			
Cash and cash equivalents	3	4,414	664
<b>Total Assets</b>		<b>4,463</b>	<b>713</b>
<b>RESERVE AND LIABILITIES</b>			
<b>Reserves</b>			
Unutilised surplus	4	4,463	713
<b>Total Reserves and Liabilities</b>		<b>4,463</b>	<b>713</b>

Certified by Accounting Officer:

PM Motswenyane

Audited by:

Walker Daly Incorporated

Audit Opinion:

Unqualified

**STATEMENT OF CASH FLOWS for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated by operations	7	3,750	(24,622)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>3,750</b>	<b>(24,622)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>3,750</b>	<b>(24,622)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>664</b>	<b>25,286</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>4,414</b>	<b>664</b>



**STATEMENT OF DETAILED INCOME AND EXPENSES for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>INCOME</b>		677,125	649,999
Allocation from IEC fund		677,125	649,999
<b>EXPENDITURE</b>		673,375	653,121
<b>Personnel expenditure</b>		401,813	350,525
- Salaries employees		392,261	342,096
- Unemployment Insurance Fund		9,553	8,429
<b>Travel expenditure</b>		-	9,968
- Pool vehicles		-	9,968
<b>Administrative expenditure</b>		271,562	292,628
- Advertising, promotions and party development cost		44,333	15,910
- Accounting fees		8,955	9,865
- Auditors remunerations		27,583	4,835
- Bank charges		10,055	8,441
- Cleaning		934	-
- Communication expenditure: Telephone, fax, modem		44,577	77,886
- Courier services		320	-
- Entertainment expenditure		611	15,983
- Insurances		14,746	20,715
- Repairs and maintenance: Building		1,456	1,507
- Repairs and maintenance: Computer		4,700	14,716
- Repairs and maintenance: Equipment		-	1,056
- Rental office equipment		55,568	44,696
- Security services		6,355	5,600
- Stationery		27,848	47,125
- Water and lights, rates and taxes		23,520	24,293
<b>Surplus / (deficit) for the year</b>		<b>3,750</b>	<b>(3,122)</b>



**STATEMENT OF FINANCIAL POSITION as at 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Receivables and prepayments	3	2,512	2,512
Cash and cash equivalents	4	515	1,108
		<b>3,027</b>	<b>3,620</b>
<b>RESERVE AND LIABILITIES</b>			
<b>Reserve</b>			
Unutilised surplus	5	3,027	3,620
		<b>3,027</b>	<b>3,620</b>

Certified by Accounting Officer:

BH Holomisa

Audited by:

Fourie + Botha

Audit Opinion:

Unqualified

**STATEMENT OF CASH FLOW for the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash utilised in operations	9.1	(593)	1,106
Net cashflow utilised in operating activities		(593)	1,106
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net increase in cash and cash equivalents		(593)	1,106
Cash and cash equivalents at beginning of period		1,108	2
<b>Cash and cash equivalents at end of period</b>		<b>515</b>	<b>1,108</b>




**INCOME STATEMENT for the year ended 31 March 2013**

	Notes	2013 R	2012 R
<b>INCOME</b>		<b>1,138,717</b>	<b>1,093,098</b>
Allocation from fund		1,138,717	1,093,098
<b>EXPENDITURE</b>		<b>1,139,310</b>	<b>1,091,913</b>
<b>Personnel expenditure</b>		<b>54,000</b>	<b>-</b>
Honoraria		54,000	-
<b>Travel expenditure</b>		<b>4,835</b>	<b>33,656</b>
Car rental		4,835	33,656
<b>Arrangement of meetings and rallies</b>		<b>40,000</b>	<b>47,350</b>
Hiring: Conference venues		-	35,350
Meals and refreshments		-	12,000
Conference facilitators		40,000	-
<b>Administrative expenditure</b>		<b>21,623</b>	<b>194,318</b>
Communication expenditure: Telephone, fax and modem		3,678	2,388
Courier services		-	29,525
Legal cost		5,261	150,710
Audit cost		11,058	10,374
Bank charges		1,626	1,321
<b>Promotion and publication</b>		<b>1,018,852</b>	<b>816,589</b>
Advertisements - Newspapers		22,270	4,319
Printing and production of pamphlets		369,790	382,270
Printing and production of posters		386,792	345,000
Printing and production of billboards		240,000	85,000
<b>(Loss) / Surplus for the year</b>		<b>(593)</b>	<b>1,185</b>



# Report of the Audit Committee

# REPORT OF THE AUDIT COMMITTEE FOR THE REPRESENTED POLITICAL PARTIES' FUND ESTABLISHED IN TERMS OF ACT 103 OF 1997 FOR THE PERIOD ENDED 31 MARCH 2013

The Public Funding of Represented Political Parties Act (No 103 of 1997) provides for the management of the Represented Political Parties' Fund (the Fund) by the Electoral Commission and the administration of the Fund form an integral part of the Electoral Commission's systems, policies, procedures and internal controls.

Therefore the Audit Committee of the Electoral Commission is pleased to present its report for the financial year of the Fund ended 31 March 2013.

## 1. Audit Committee Members and Attendance

The Audit Committee consists of four members listed hereunder and meets at least twice per annum as per its approved terms of reference (charter). During the current financial year six meetings were held:

Name	Qualifications	No of Meetings Attended
Mr JFJ Scheepers (Chairperson)	CA(SA)	6
Ms K Rapoo	BCompt	5
Ms CH Wessels	LLM	4
Mr JM Lekgetha	BComm H.DIP.Tax Law	5

The External Auditors (Auditor General of South Africa i.e. AGSA), Internal Auditors, Accounting Officer (Chief Electoral Officer), Chief Financial Officer and Chief Information Officer all have standing invitations to the Audit Committee meetings and have attended most of the meetings during the year under review.

## 2. Audit Committee Responsibility

The Audit Committee hereby reports that it has complied with its responsibilities arising from Treasury Regulations issued in terms of the Public Finance Management Act of 1999 (PFMA), as amended, and in particular those arising from section 38(1)(a) of the PFMA and Treasury Regulations 3.1.13.

The Audit Committee also confirms that it has regulated its affairs in compliance with its charter and has discharged all its responsibilities as contained therein within the timeframes agreed in its annual work plan.

### **3. The Effectiveness of Internal Control**

In line with the PFMA and principles of good governance, Internal Audit provides the Audit Committee on a quarterly basis with assurance and in relation to the focus areas reviewed, that the internal controls are appropriate and effective.

The Audit Committee is satisfied that a register of audit findings in respect of instances of deficiencies in and/or non-compliance with key operational, governance, and policy responsibilities and prescribed policies and procedures reported in the various reports of the Internal Auditors, have been implemented and is being monitored on a continuous basis to ensure implementation of corrective actions. A progress report is submitted to each Audit Committee meeting with the last status reported therein.

### **4. Evaluation of Financial Statements**

The Audit Committee reviewed and discussed the audited annual financial statements of the Fund with the Accounting Officer and the AGSA and recommended the adoption thereof.

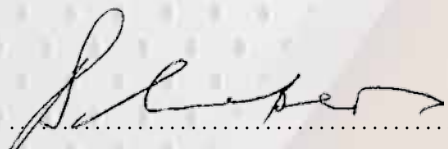
### **5. Auditor's Report**

The Audit Committee reviewed the Electoral Commission's implementation plan for audit issues raised in the prior year and we are satisfied that matters have either been adequately resolved or progress is on track.

The Committee reviewed the scope and audit approach of the Auditor-General as contained in the audit plan for the year under review and has since reviewed the subsequent management letter and the response of management thereto.

The Committee also noted from the Auditor-General's Audit Report on the annual financial statements and the management letter that no new significant items or material non-compliance with legal and regulatory provisions have been reported for the period ending 31 March 2013.

The Audit Committee therefore concurs and accepts the Auditor-General's conclusions on the annual financial statements.



JFJ Scheepers

Chairperson of the Audit Committee

25 September 2013



# Report of the Auditor- General

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the financial statements of the Represented Political Parties' Fund set out on pages ... to ..., which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Funding of Represented Political Parties Act, 1997 (Act No. 103 of 1997) (PFRPP Act) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 risks of material misstatement of the 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 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Represented Political Parties Fund as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Funding of Represented Political Parties Act.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

8. I was unable to conduct the audit of performance against predetermined objectives as the fund is not required to prepare a report on its performance against predetermined objectives. The fund does not fall within the ambit of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) and the entity-specific legislation does not require the reporting on performance against predetermined objectives.

### Compliance with laws and regulations

9. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA are as follows:

### Public Funding of Represented Political Parties Act

8. Two political parties did not submit their audited financial statements for the financial year ending 31 March 2013 in time as required by section 6(5) of the Public Funding of Represented Political Parties Act (PFRPP Act).

### Internal control

10. I considered internal control relevant to my audit of the financial statements, and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for the findings on compliance with laws and regulations included in this report.

### Financial and performance management

11. While there are legislated deadlines for the submission of financial statements by political parties, there is an inherent risk that political parties will not submit financial statements on time.

*Auditor-General*

Pretoria

18 October 2013



AUDITOR GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



# **Financial Statements of the Represented Political Parties' Fund**

## Report of the Accounting Officer

The Represented Political Parties' Fund (the Fund) is an entity established in terms of the Public Funding of Represented Political Parties Act 103 of 1997 (the Act) with a view to:

- making provision for the funding of political parties participating in Parliament and Provincial Legislatures;
- providing for the management of the Fund and for the accountability regarding the Fund by the Electoral Commission;
- regulating the allocations of moneys from the Fund and the purposes for which allocated moneys may be used by political parties;
- regulating the repayment to the Electoral Commission of the unspent balances of moneys by political parties under certain circumstances;
- providing for incidental matters.

The Act determined that the financial year of the Fund will run from 1 April of every year until 31 March in the following year.

The Chief Electoral Officer of the Electoral Commission, subject to the direction of the Commission, is responsible for the management and administration of the Fund and is its Accounting Officer and Chief Executive Officer.

For each financial year the Commission must have records kept of moneys received by/or accruing to the Fund, allocations made/and payments therefrom and of expenditure arising from the allocation of moneys and a current record of the capital and liabilities of the Fund.

Allocations to parties are made in accordance with the prescribed formula. Particulars of allocations made to represented political parties in respect of the financial year under review are included in this report.

A number of purposes for which such moneys may not be used by parties, is set out in the Act. The manner in which parties have to deal with and account for moneys allocated to them, is set out in the Act. At the end of each financial year every party must prepare a statement showing the amount received and the purposes for which it was spent and have the statement and its books of records of accounts audited. The auditor must express an opinion as to whether the allocated moneys were spent for purposes not authorised by the Act.

The auditor's report and the audited statements must be submitted to the Commission. Extracts from the financial statements of represented political parties, as they were filed with the Commission, are published in this report.

Internal controls operated effectively during the year.

The Accounting Officer of the Electoral Commission is responsible for the preparation and fair presentation of the annual financial statements of Fund. These statements comprise the:

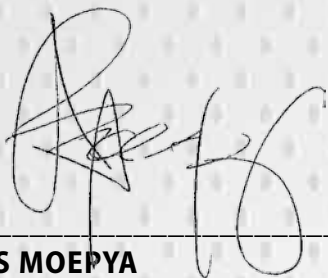
- a) Statement of Financial Position as at 31 March 2013;
- b) Statement of Financial Performance for the year ended 31 March 2013;
- c) Statement of Changes in Net Assets;
- d) Statement of Cash Flow for the financial year then ended;
- e) Accounting Policies ; and
- f) Notes to the Financial Statements.

The financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board.

The Auditor-General is responsible for reporting on whether the Annual Financial Statements are fairly presented in accordance with the applicable financial reporting framework.

### **Approval of the Annual Financial Statements**

The Annual Financial Statements of the Fund set out on pages 55 to 69 have been approved by the Accounting Officer.



**M S MOEPYA**  
**CHIEF ELECTORAL OFFICER**

**Date:** *03/10/2013*

## STATEMENT OF FINANCIAL POSITION as at 31 March 2013

		2013	2012
	Notes	R	R
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	1,378,100	1,054,323
		<u>1,378,100</u>	<u>1,054,323</u>
<b>Total assets</b>		<b><u>1,378,100</u></b>	<b><u>1,054,323</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3	847,718	984,399
		<u>847,718</u>	<u>984,399</u>
<b>Total liabilities</b>		<b><u>847,718</u></b>	<b><u>984,399</u></b>
<b>Net Assets</b>		<b><u>530,382</u></b>	<b><u>69,924</u></b>
<b>Funds</b>			
Accumulated surplus	5	530,382	69,924
		<u>530,382</u>	<u>69,924</u>

## STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2013

	Notes	2013 R	2012 R
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Investment revenue	5	306,400	268,031
<b>Revenue from non-exchange transactions</b>			
Parliamentary allocation	5	109,180,000	103,981,000
<b>Total Revenue</b>		<u>109,486,400</u>	<u>104,249,031</u>
<b>Other Income</b>			
Release from provision for impairment	3	-	1,078,285
<b>Expenses</b>			
Allocation to parties	4	(108,206,610)	(104,385,745)
Administration expenses		(349,930)	(522,212)
Bad debts written off	3	-	(1,078,285)
Employee cost		(469,402)	(443,311)
<b>Total Expenses</b>		<u>(109,025,942)</u>	<u>(106,429,553)</u>
<b>Surplus / (deficit) for the year</b>		<u><b>460,458</b></u>	<u><b>(1,102,237)</b></u>

## STATEMENT OF CHANGES IN THE NET ASSETS for the year ended 31 March 2013

	<b>Accumulated Surplus R</b>
<b>Balance at 31 March 2011</b>	<b>1,172,161</b>
Deficit for the year	(1,102,237)
<b>Balance at 31 March 2012</b>	<b>69,924</b>
Surplus for the year	460,458
<b>Balance at 31 March 2013</b>	<b>530,382</b>



## STATEMENT OF CASH FLOW for the year ended 31 March 2013

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
<b>Cash flows from operating activities</b>			
<b>Cash received from customers</b>			
Parliamentary allocation		109,180,000	103,981,000
Investment revenue		306,400	268,031
		<u>109,486,400</u>	<u>104,249,031</u>
<b>Cash paid to suppliers and employees</b>			
Employee costs		(469,402)	(443,311)
Suppliers		(108,693,221)	(104,109,474)
		<u>(109,162,623)</u>	<u>(104,552,785)</u>
<b>Net cash flows from operating activities</b>	10	<u>323,777</u>	<u>(303,754)</u>
Net Increase/(Decrease)/ in cash and cash equivalents		323,777	(303,754)
Cash and cash equivalents at beginning of the year		<u>1,054,323</u>	<u>1,358,077</u>
<b>Cash and cash equivalents at end of the year</b>		<u><b>1,378,100</b></u>	<u><b>1,054,323</b></u>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

## 1. ACCOUNTING POLICIES for the year ended 31 March 2013

### Presentation of annual financial statements

#### Basis of preparation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

#### Going concern

The financial statements have been prepared on a going concern basis.

#### Statement of compliance

The annual financial statements have been prepared in accordance with standards of Generally Recognised Accounting Practices (GRAP) including any interpretation guidelines and directives issued by the Accounting Standards Board (ASB), and the requirements of the Public Funding of Represented Political Parties Act, 1997 (Act No. 103 of 1997) and Public Funding of Represented Political Parties Regulations, 1998.

#### Basis of measurement

The financial statements have been prepared on the historical cost basis except where indicated otherwise.

#### Functional and presentation currency

These financial statements are presented in South African Rands, which is the Fund's functional currency. All financial information presented in Rands has been rounded to the nearest R1.

#### Budgetary information

The budget and the accounting bases differ. The financial statements for the Fund are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The budget is approved on the cash basis. A reconciliation between the actual amounts on a comparable basis as presented in the Statement of Financial Performance and the budget documents for the year under review is presented in the notes to the Annual Financial Statements.

#### Use of estimates and judgements

The preparation of the financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimates, assumptions and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3 – Allowance for impairment losses
- Note 7 – Operating surplus / (deficit) (Government grants)
- Note 8 – Revenue (Unused funds receivable from parties)

## **Significant accounting policies**

The principal accounting policies adopted and applied during this year of operation, are set out below, and are consistent with those applied in the previous period.

### **1.1 Revenue from exchange transactions**

Revenue from exchange transactions refers to revenue that accrued to the Fund directly in return for services rendered/ goods sold, the value of which approximates the fair value of the consideration received or receivable. At the time of initial recognition the full amount of revenue is recognised.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred

Investment revenue comprises interest income on funds invested. Interest income is recognised on a time proportion basis using the effective interest method.

### **1.2 Revenue from non-exchange transactions**

Revenue from non-exchange transactions refers to transactions where the Fund receives revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions includes parliamentary allocations and sponsorship income.

Parliamentary allocations and sponsorship income are recognised when there is reasonable assurance that the Fund will comply with the conditions attached to them and the allocation will be received.

Revenue is recognised when it is probable that future economic benefits will flow to the Fund and these benefits can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

### **1.3 Parliamentary allocation**

Parliamentary allocations are recognised when there is reasonable assurance that the entity will comply with conditions attaching to them; and the grants will be received.

### **1.4 Investment revenue**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

### **1.5 Financial instruments**

The Fund's financial assets comprise trade and other receivables from exchange transactions, and cash and cash equivalents. Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost.

The Fund's financial liabilities comprise trade and other payables from exchange transactions. Financial Liabilities are categorised at fair value. The subsequent measurement of financial assets and liabilities depends on this categorisation.

### *Initial Recognition*

Financial assets and liabilities are recognised in the statement of financial position only when the Fund becomes a party to the contractual provisions of the instrument. The Fund recognises financial assets using trade date accounting.

### *Measurement*

When a financial asset or financial liability is recognised initially, the Fund measures it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, non-derivative financial assets and liabilities are measured as described below.

#### *Trade and other receivables from exchange transactions*

Trade and other receivables from exchange transactions originated by the Fund classified as financial assets are stated at amortised cost using the effective interest method, less any impairment losses.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed to determine whether there is any objective evidence that the amount is not recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

#### *Cash and cash equivalents*

Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For purposes of the cash flow statement as well as the statement of financial position, cash and cash equivalents comprise cash on hand and other short-term investments. Cash and cash equivalents classified as financial assets at are stated at amortised cost.

#### *Trade and other payables from exchange transactions*

Trade and other payables from exchange transactions are initially measured at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

The Fund's trade and other payables from exchange transactions relate to the amount owed to the suppliers, and other accruals. The Fund's accrual amount represents goods and services that have been delivered by the supplier but remain unpaid as at year-end.

#### *Gains and losses*

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### *Method and Significant Assumptions in Determining Fair Value*

Fair values of financial assets, non-financial assets and liabilities have been determined for measurements and/or disclosure purposes based on the methods indicated below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets. The fair value of trade and other receivables from exchange transactions is calculated as the present value of future cash flows, discounted at a market rate of interest at the reporting date. Fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### *De-recognition of Financial Instruments*

Financial assets are de-recognised when the Fund loses control of the contractual rights that comprise the financial assets. The Fund loses control if the right to benefits specified in the contract are realised, the rights expire or the Fund surrenders those rights.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

## **1.6 Provisions**

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

## **1.7 Related Parties**

Related party transactions are transactions that involve the transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Implicit in the definition of related party, there are other government entity and joint ventures that have a significant influence on the Fund and its activities.

Key management personnel are those persons having authority and responsibility for the management and administration of the Fund directly or indirectly.

## **1.8 Effect of New GRAP Standards**

The following GRAP standards have been approved but are not yet effective:

- GRAP 18: Segment reporting;
- GRAP 20: Related party disclosures;
- GRAP 105: Transfers between entities under common control;
- GRAP 106: Transfers between entities not under common control; and
- GRAP 107: Mergers

The effective date for the above has not yet been determined.

The adoption of these GRAP standards when they become effective is not expected to have a significant impact on the financial statements. The Fund does not participate in the transactions covered by GRAP 18, 105, 106 and 107, and the effects of GRAP 20 are similar to those already applied under IPSAS 20.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

	2013	2012
	R	R
<b>2. Financial Assets by category</b>		
The accounting policies for financial instruments have been applied to the line items below.		
<b>Financial assets recognised at cost</b>		
Cash and cash equivalents	1,378,100	1,054,323
	<u>1,378,100</u>	<u>1,054,323</u>
<b>2.1 Cash and cash equivalents</b>		
Bank balances – Call deposits	1,378,100	1,054,323
	<u>1,378,100</u>	<u>1,054,323</u>
Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with a registered banking institution with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.		
No restrictions have been placed on the use of cash and cash equivalents for the operations of the Electoral Commission.		
<b>2.2 Trade and other receivables</b>		
The allowance for impairment has been determined by reference to past default experience and the current economic environment.		
<b>Impairment allowance</b>		
Opening balance	-	1,078,285
Amounts written off as bad debts during the year	-	(1,078,285)
Closing balance	<u>-</u>	<u>-</u>
A provision for doubtful debt in relation to political parties' allocation is measured at the present value of the expected cost of settlement.		

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

(continued)

### 3. Financial Liabilities by category

The accounting policies for financial instruments have been applied to the line items below.

#### Financial liabilities recognised at cost

Trade accounts payable	847,718	984,399
	<b>847,718</b>	<b>984,399</b>

#### 3.1 Trade and other payables

Trade accounts payable	847,718	984,399
	<b>847,718</b>	<b>984,399</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

(continued)

### 4. Expenditure per political parties

2013

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	African National Congress (ANC)	African People's Convention (APC)	Azanian People's Organisation (AZAPO)	Congress of the People (COPE)	Democratic Alliance (DA)	Freedom Front Plus (FF)	Independent Democrats (ID)	Inkatha Freedom Party (IFP)	Minority Front (MF)	Pan Africanist Congress (PAC)*	United Christian Democratic Party (UCDP)	United Democratic Movement (UDM)	Total
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Allocations for the year	1 513 751	434 525	67 629 920	117 365	117 365	10 120 911	17 867 022	1 155 479	1 719 014	4 940 637	687 714	117 365	677 125	1 138 717	108 236 910
Amount set-off i.t.o. Sec 7(2)(b) of Act												(30 300)			(30 300)
<b>Total allocation</b>	<b>1 513 751</b>	<b>434 525</b>	<b>67 629 920</b>	<b>117 365</b>	<b>117 365</b>	<b>10 120 911</b>	<b>17 867 022</b>	<b>1 155 479</b>	<b>1 719 014</b>	<b>4 940 637</b>	<b>687 714</b>	<b>87 065</b>	<b>677 125</b>	<b>1 138 717</b>	<b>108 206 610</b>
<b>Less: Total Expenditure</b>	<b>(1 453 699)</b>	<b>(422 392)</b>	<b>(67 806 988)</b>	<b>(1 32 783)</b>	<b>(121 116)</b>	<b>(6 481 431)</b>	<b>(20 747 331)</b>	<b>(1 146 258)</b>	<b>(1 320 253)</b>	<b>(4 836 316)</b>	<b>(899 353)</b>	<b>(88 211)</b>	<b>(673 375)</b>	<b>(1 139 310)</b>	<b>(107 268 816)</b>
Personnel expenditure	527 929	177 700	52 907 252	-	-	-	12 497 458	483 820	186 212	1 746 669	161 448	21 941	401 813	54 000	69 166 242
Accommodation expenditure	9 471	-	3 592 913	-	3 800	-	-	-	75 778	202 322	-	-	-	-	3 884 284
Travel expenditure	138 425	17 345	-	-	2 901	771 437	2 277 553	79 198	38 885	213 093	-	-	-	4 835	3 543 672
Arrangements of meetings and rallies	202 456	98 450	7 574 220	7 500	-	3 827 678	-	47 552	153 464	322 846	21 337	214	-	40 000	12 295 717
Administrative expenditure	354 756	93 897	3 674 282	10 321	114 415	784 339	5 972 320	509 079	777 655	1 957 452	501 687	64 056	266 862	21 623	15 102 744
Promotion and publications	220 662	35 000	58 321	114 962	-	1 097 977	-	26 609	88 259	393 934	214 881	2 000	-	1 018 852	3 271 457
Fixed asset expenditure	-	-	-	-	-	-	-	-	-	-	-	-	4 700	-	4 700
<b>Unspent money at the end of year</b>	<b>60 052</b>	<b>12 133</b>	<b>(177 068)</b>	<b>(15 418)</b>	<b>(3 751)</b>	<b>3 639 480</b>	<b>(2 880 309)</b>	<b>9 221</b>	<b>398 761</b>	<b>104 321</b>	<b>(211 639)</b>	<b>(1 146)</b>	<b>3 750</b>	<b>(593)</b>	<b>937 794</b>
Plus: Interest and other income received	20 106	-	116	-	50	34 178	175 626	3 091	32 908	-	-	-	-	-	266 075
<b>Surplus / (deficit) for the year</b>	<b>80 158</b>	<b>12 133</b>	<b>(176 952)</b>	<b>(15 418)</b>	<b>(3 701)</b>	<b>3 673 658</b>	<b>(2 704 683)</b>	<b>12 312</b>	<b>431 669</b>	<b>104 321</b>	<b>(211 639)</b>	<b>(1 146)</b>	<b>3 750</b>	<b>(593)</b>	<b>1 203 869</b>

#### Notes:

- Two political parties did not submit the audited financial statements for the financial year ending 31 March 2013 in time as required by section 6(5) of the PFRPP Act. They are AZAPO and PAC.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

(continued)

2012

	African Christian Democratic Party (ACDP)	African Independent Congress (AIC)	African National Congress (ANC)	African People's Convention Organisation (APC)	Azanian People's Organisation (AZAPO)	Congress of the People (COPE)	Democratic Alliance (DA)	Freedom Front Plus (FF)	Independent Democrats (ID)	Inkatha Freedom Party (IFP)	Minority Front (MF)	Pan Africanist Congress (PAC)*	United Christian Party (UCDP)	United Democratic Movement (UDM)	Total
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Allocation for the year	1 453 108	417 117	64 920 567	112 664	112 664	9 715 452	17 151 243	1 109 189	1 650 148	4 742 708	660 163	112 664	649 999	1 093 098	103 900 784
Amount from previous allocation												484 961			484 961
<b>Total allocation</b>	<b>1 453 108</b>	<b>417 117</b>	<b>64 920 567</b>	<b>112 664</b>	<b>112 664</b>	<b>9 715 452</b>	<b>17 151 243</b>	<b>1 109 189</b>	<b>1 650 148</b>	<b>4 742 708</b>	<b>660 163</b>	<b>597 625</b>	<b>649 999</b>	<b>1 093 098</b>	<b>104 385 745</b>
<b>Less: Total Expenditure</b>	<b>(1 395 953)</b>	<b>(410 073)</b>	<b>(65 153 209)</b>	<b>(97 096)</b>	<b>(108 577)</b>	<b>(9 633 285)</b>	<b>(14 445 993)</b>	<b>(1 159 310)</b>	<b>(712 832)</b>	<b>(4 430 797)</b>	<b>(485 201)</b>	<b>(137 129)</b>	<b>(653 121)</b>	<b>(1 091 913)</b>	<b>(99 914 489)</b>
Personnel expenditure	471 954	213 500	53 162 503	-	8 019	2 224 239	8 774 681	398 287	205 254	2 596 380	17 000	7 000	350 525	-	68 429 342
Accommodation expenditure	390	-	45 128	-	700	-	-	-	32 684	217 436	-	12 244	-	-	308 582
Travel expenditure	83 734	35 130	206 422	-	1 100	921 440	1 829 902	84 243	83 467	476 007	-	40 000	9 968	33 656	3 805 069
Arrangements of meetings and rallies	109 014	9 500	1 826 419	11 395	-	2 560 313	-	68 986	246 883	78 818	89 149	25 452	-	47 350	5 073 279
Administrative expenditure	439 743	134 443	5 018 648	16 701	98 758	1 728 603	3 841 410	487 274	135 253	1 020 671	215 013	14 733	292 628	194 318	13 638 196
Promotion and publications	291,118	17 500	4 894 089	69 000	-	2 198 690	-	120 520	9 291	41 485	164 039	37 700	-	816 589	8 660 021
Fixed asset expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Unspent money at end of year</b>	<b>57 155</b>	<b>7 044</b>	<b>(232 642)</b>	<b>15 568</b>	<b>4 087</b>	<b>82 167</b>	<b>2 705 250</b>	<b>(50 121)</b>	<b>937 316</b>	<b>311 911</b>	<b>174 962</b>	<b>460 496</b>	<b>(3 122)</b>	<b>1 185</b>	<b>4 471 256</b>
Plus: Interest received	12 613	-	129	-	-	16 040	144 573	2 276	18 464	38	-	9 007	-	-	203 140
Amount set off i.t.o. sec 7(2) of Act												(466 874)			(466 874)
<b>Surplus / (deficit) for the year</b>	<b>69 768</b>	<b>7 044</b>	<b>(232 513)</b>	<b>15 568</b>	<b>4 087</b>	<b>98 207</b>	<b>2 849 823</b>	<b>(47 845)</b>	<b>955 780</b>	<b>311 949</b>	<b>174 962</b>	<b>2 629</b>	<b>(3 122)</b>	<b>1 185</b>	<b>4 674 396</b>

### Notes:

- Five political parties did not submit the audited financial statements for the financial year ending 31 March 2012 timeously as required by section 6(5) of the PFRPP Act. They are APC, AZAPO, COPE, MF and PAC.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

(continued)

### 5. Operating surplus/(deficit) is arrived at after taking the following into account:

<b>Parliamentary allocation</b>	<u>109,180,000</u>	<u>103,981,000</u>
<b>Auditors remuneration:</b>		
Audit fees - Current year	<u>292,913</u>	<u>371,982</u>
<b>Allocations to Parties</b>	<u>108,206,610</u>	<u>104,385,745</u>

### 6. Revenue

Interest income on cash and cash equivalents	<u>306,400</u>	<u>268,031</u>
Parliamentary allocation	<u>109,180,000</u>	<u>103,981,000</u>
	<u>109,486,400</u>	<u>104,249,031</u>

This amount represents interest income on financial assets.

### 7. Reconciliation between budget and statement of financial performance

<b>Net surplus/ (deficit) as per statement of financial performance</b>	<b>460,458</b>	<b>(1,102,237)</b>
Adjusted for:		
<b>Income not budgeted</b>		
Interest received	(306,400)	(268,031)
<b>Under spending compared to budget</b>	<u>(252,004)</u>	<u>664,542</u>
<b>Net deficit per approved budget</b>	<u>(97,946)</u>	<u>(706,074)</u>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

(continued)

	2013	2012
	R	R
<b>8. Reconciliation of deficit for the year to cash (utilised by)/generated from operating activities</b>		
<b>Surplus/(deficit) for the year</b>	<b>460,458</b>	<b>(1,102,237)</b>
Operating surplus/(deficit) before working capital changes	460,458	(1,102,237)
Working capital changes:	(136,681)	798,483
- Decrease in trade and other receivables	-	466,874
- (Decrease)/Increase in trade and other payables and provisions	(136,681)	331,609
<b>Cash utilised by operations</b>	<b>323,777</b>	<b>(303,754)</b>

### 9. Taxation

No provision is made for taxation, as the Represented Political Parties' Fund is exempted from taxation in terms of the Income tax Act.

### 10. Related party transactions

#### Electoral Commission

Expenditure arising from the allocation of moneys from the Fund	811,874	956,011
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In line with prevailing government practices, functions provided on a no cost basis by the Electoral Commission to the Fund include the rendering of legal, financial, human resources management, information communication technology services, infrastructure and the exercise of internal control.

In terms of the Commission's expenditure allocation policy, all expenditure incurred in connection with the rendering of administrative services on a cost recovery basis, is expensed in the Fund. Staff expenditure is allocated on a 20%/80% (manager) and 40%/60% (assistant manager) basis respectively.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2013

(continued)

2013  
R

2012  
R

## 11. Financial Instrument Risk Management

Electoral Commission's activities have a limited exposure to market risk, credit risk, liquidity risk and cash flow risk. Risk management is carried out by the Executive Risk Management Committee under policies approved by the Commission. The Commission provides written policies for overall risk management, as well as written policies covering specific areas, such as investing excess liquidity. The Represented Political Parties Fund is managed by the Commission under the same financial policies and procedures applicable to the Commission, taking the stipulations of the Public Funding of Represented Political Parties Fund Act 103 of 1997 into account.

### a) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Sufficient funding is maintained through thorough planning processes.

The following are contractual maturities of financial liabilities

	Carrying amounts	0-3 months
2013/03/31		
Trade and other payables	847,718	847,718
2012/03/31		
Trade and other payables	984,399	984,747

### b) Cash flow

The Fund manages its cash flow risk by aligning the quarterly government allocation to its quarterly payments to parties.

### c) Credit risk

Receivables are monitored on an on-going basis with the result that exposure to bad debts is minimised. With respect to credit arising from cash and cash equivalents, cash is placed with authorised financial institutions. The carrying amounts of the financial assets represent the maximum credit exposure. The maximum exposure at the reporting date was:

Cash and cash equivalents	1,378,100	1,054,323
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### d) Interest rate risk

The Fund is exposed to the risk of fluctuations in interest rates on its call deposits of the changes in market interest rates. The Fund's interest rate profile consists of floating rate bank balances which exposes the Fund to cash flow interest rate risk and can be summarised as follows:

Cash and cash equivalents	1,378,100	1,054,323
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### Financial Assets

Tiered rate call deposit linked to South African prime rate.

# Annexure A

## ANNEXURE A – Detailed income statement for the year ended 31 March 2013

	<b>2013</b>	<b>2012</b>
	<b>R</b>	<b>R</b>
<b>REVENUE</b>	<b>109,486,400</b>	<b>104,249,031</b>
Government appropriation	109,180,000	103,981,000
Other Income - Interest received	306,400	268,031
<b>EXPENDITURE</b>	<b>109,025,942</b>	<b>105,351,268</b>
<b>Allocations to parties</b>	<b>108,206,610</b>	<b>104,385,745</b>
African Christian Democratic Party (ACDP)	1,513,751	1,453,108
African Independent Congress (AIC)	434,525	417,117
African National Congress (ANC)	67,629,920	64,920,567
African People's Convention (APC)	117,365	112,664
Azanian People's Organisation (AZAPO)	117,365	112,664
Congress of the People (COPE)	10,120,911	9,715,452
Democratic Alliance (DA)	17,867,022	17,151,243
Freedom Front (FF)	1,155,479	1,109,189
Independent Democrats (ID)	1,719,014	1,650,148
Inkatha Freedom Party (IFP)	4,940,637	4,742,708
Minority Front (MF)	687,714	660,163
Pan Africanist Congress of Azania (PAC)	87,065	597,625
United Christian Democratic Party (UCDP)	677,125	649,999
United Democratic Movement (UDM)	1,138,717	1,093,098

## ANNEXURE A – Detailed income statement for the year ended 31 March 2013

(continued)

	<b>2013</b>	<b>2012</b>
	<b>R</b>	<b>R</b>
Personnel expenditure	469,402	443,311
Salaries: Employees	469,402	443,311
Accommodation expenditure	(164)	20,615
Hotel expenditure & meals: Local	(808)	15,415
Agency Fees: Local	644	5,200
Travel expenditure	5,273	43,709
Car rental	(939)	2,761
Toll roads, parking & taxis	926	4,342
Travel claims – Non IEC staff	-	2,588
Air Travel - Internal	5,286	34,018
Administrative expenditure	293,287	372,864
Audit cost	292,913	371,982
Courier services	-	482
Stationery	374	400
Promotion & publications	51,534	85,024
Printing and production of books	51,534	85,024
<b>Surplus/ (deficit) for the year</b>	<b>460,458</b>	<b>(1,102,237)</b>