

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual financial statements**  
**for the year ended 31 March 2012**

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Political party activities
<b>Directors</b>	MGP Lekota (Party Leader) D Carter (Acting National Treasurer)
<b>Registered office</b>	6th Floor, Metropolitan Building 108 Fox Street Marshalltown Johannesburg 2000
<b>Postal address</b>	PO Box 32153 Braamfontein 2017
<b>Bankers</b>	First National Bank
<b>Auditors</b>	C2M Chartered Accountants Inc. Chartered Accountants (S.A.) Registered Auditors

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Index**

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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**Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Funding of Represented Political Parties Act, 1997.

**Preparer**

M Dreyer  
Professional Accountant

**Published**

31 July 2012

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Directors' Responsibilities and Approval**

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The Congress National Committee members are required in terms of the Funding of Represented Political Parties Act, 1997 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Congress National Committee members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the Congress National Committee members to meet these responsibilities, the board sets 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Congress National Committee members have reviewed the organisation's cash flow forecast for the year to 31 March 2013 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

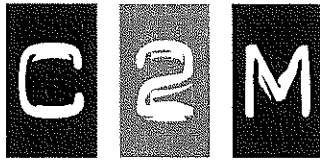
The annual financial statements set out on pages 6 to 13, which have been prepared on the going concern basis, were approved by the Congress National Committee on 31 July 2012 and were signed on its behalf by:

  
\_\_\_\_\_  
**MGP Lekota (Party Leader)**

  
\_\_\_\_\_  
**D Carter (Acting National Treasurer)**

**Bellville**

**31 July 2012**



# Chartered Accountants Inc.

## Independent Auditors' Report

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### To the members of Congress of the people (Cope) (RPPF)

We have audited the annual financial statements of Congress of the people (Cope) (RPPF), which comprise the statement of financial position as at 31 March 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 6 to 12.

### Directors' Responsibility for the Annual Financial Statements

The company's members are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Funding of Represented Political Parties Act, 1997, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

### Opinion

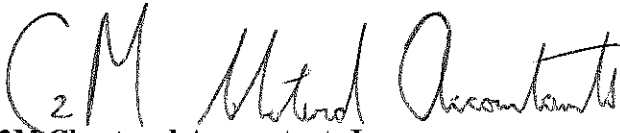
In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Congress of the people (Cope) (RPPF) as at 31 March 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Funding of Represented Political Parties Act, 1997.



## Emphasis of Matter

The following matters of non-compliance with the Public Funding of Represented Political Parties Act , as issued by the Parliament of the Republic of South Africa, as at the date of the financial statements of 31 March 2012, came to our attention during the course of the audit:

-We found that the financial management system and internal controls were not improved during the current financial year under review, and is still not as effective and sufficient as required by the Public Funding of Represented Political Parties Act.



**C2M Chartered Accountants Inc.**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

**31 July 2012**

**Tygerforum B**  
**53 Willie van Schoor Drive**  
**Tygervalley**  
**Bellville**  
**7530**

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Directors' Report**

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The directors submit their report for the year ended 31 March 2012.

**1. Review of activities**

**Main business and operations**

The company is engaged in political party activities and operates principally in South Africa.

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

**2. Events after the reporting period**

The Congress National Committee are not aware of any matter or circumstance arising since the end of the financial year.

**3. General Secretary**

Lyndall Shope-Mafole is appointed in an acting capacity.

**4. Auditors**

C2M Chartered Accountants Inc. will continue in office in accordance with section 90 of the Companies Act.

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Statement of Financial Position**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	2	800,000	-
Cash and cash equivalents	3	180,012	11,679
		<b>980,012</b>	<b>11,679</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		109,887	11,679
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Other financial liabilities		191,468	-
<b>Current Liabilities</b>			
Trade and other payables	4	678,657	-
<b>Total Liabilities</b>		<b>870,125</b>	<b>-</b>
<b>Total Equity and Liabilities</b>		<b>980,012</b>	<b>11,679</b>



**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2012</b>	<b>2011</b>
Revenue		9,715,452	9,250,257
Administration expenses		1,728,603	881,264
Promotions and publications		2,198,690	1,508,682
Arrangement of meetings and rallies		2,560,313	4,759,638
Personnel expenditure		2,224,239	2,021,656
Travel and accommodation		921,439	982,650
<b>Operating profit (loss)</b>		<b>82,168</b>	<b>(903,632)</b>
Investment revenue		16,040	1,030
<b>Profit (loss) for the year</b>		<b>98,208</b>	<b>(902,602)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss)</b>		<b>98,208</b>	<b>(902,602)</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the parent		98,208	(902,602)

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Retained income</b>	<b>Total equity</b>
<b>Balance at 01 April 2010</b>	<b>914,281</b>	<b>914,281</b>
Changes in equity		
Total comprehensive income for the year	(902,602)	(902,602)
Total changes	(902,602)	(902,602)
<b>Balance at 01 April 2011</b>	<b>11,679</b>	<b>11,679</b>
Changes in equity		
Total comprehensive income for the year	98,208	98,208
Total changes	98,208	98,208
<b>Balance at 31 March 2012</b>	<b>109,887</b>	<b>109,887</b>

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>			
Cash used in operations	5	(39,175)	(1,268,622)
Interest income		16,040	1,030
<b>Net cash from operating activities</b>		<b>(23,135)</b>	<b>(1,267,592)</b>
<b>Cash flows from financing activities</b>			
Assets reclassified		-	198,863
Repayment of other financial liabilities		191,468	-
<b>Net cash from financing activities</b>		<b>191,468</b>	<b>198,863</b>
<b>Total cash movement for the year</b>		<b>168,333</b>	<b>(1,068,729)</b>
Cash at the beginning of the year		11,679	1,080,408
<b>Total cash at end of the year</b>	3	<b>180,012</b>	<b>11,679</b>

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Accounting Policies**

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**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Funding of Represented Political Parties Act, 1997. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

**1.1 Subsidy**

Income is measured at the fair value of the consideration received or receivable and represents the amounts receivable from The Electoral Commission (IEC) through the Represented Political Parties' Fund.

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

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**

**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2012</b>	<b>2011</b>
<b>2. Trade and other receivables</b>		
Uncleared Cheques	800,000	-
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	25,000	-
Bank balances	155,012	11,679
	<b>180,012</b>	<b>11,679</b>
<b>4. Trade and other payables</b>		
Accounting and audit fees	209,600	-
Payroll accruals	469,057	-
	<b>678,657</b>	<b>-</b>
<b>5. Cash used in operations</b>		
Profit before taxation	98,208	(902,602)
<b>Adjustments for:</b>		
Interest received	(16,040)	(1,030)
<b>Changes in working capital:</b>		
Trade and other receivables	(800,000)	-
Trade and other payables	678,657	(364,990)
	<b>(39,175)</b>	<b>(1,268,622)</b>

**CONGRESS OF THE PEOPLE (COPE) (RPPF)**  
**Annual Financial Statements for the year ended 31 March 2012**  
**Detailed Income Statement**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2012</b>	<b>2011</b>
<b>Revenue</b>			
Funding received from the IEC		9,715,452	9,250,257
<b>Other income</b>			
Interest received		16,040	1,030
<b>Operating expenses</b>			
Accounting fees		(50,000)	(40,289)
Audit fees		(357,612)	(57,220)
Advertising		-	(692,234)
Bank charges		(39,383)	(152,406)
Catering		(7,400)	(115,073)
Cleaning		-	(11,765)
Conferences and accomodation		(2,552,913)	(2,362,247)
Computer expenses		(86,377)	-
Consulting and professional fees		-	(39,780)
Election expenses		(2,198,690)	(1,135,168)
Lease rentals on operating lease		(887,982)	(362,955)
Motor vehicle expenses		(57,592)	(11,623)
Personnel expenditure		(2,224,239)	(2,021,656)
Petrol and oil		-	(54,372)
Printing and stationary		(196,133)	(1,100,914)
Telephone		(53,523)	(47,580)
Television		-	(1,031,952)
Transport		-	(233,148)
Travel		(921,440)	(683,507)
		<b>(9,633,284)</b>	<b>(10,153,889)</b>
<b>Profit (loss) for the year</b>		<b>98,208</b>	<b>(902,602)</b>