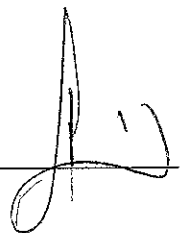


CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual financial statements
for the year ended 31 March 2012

CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
General Information

| | |
|--|---|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Political Party - Party leadership and administration |
| Party Leader | Mosiuo Gerard Patrick Lekota |
| Chief Whip | Dennis Victor Bloem |
| Registered office | Plein Street Cape Town 8001 |
| Business address | Plein Street Cape Town 8001 |
| Postal address | P.O. Box 15 Cape Town 8000 |
| Bankers | First National Bank |
| Auditors | C2M Chartered Accountants Inc. Chartered Accountants (S.A.) Registered Auditors |



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
Index

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

| Index | Page |
|--|-------------|
| Accounting Officer's Responsibilities and Approval | 3 |
| Independent Auditors' Report | 4 - 5 |
| Accounting Officer's Report | 6 |
| Statement of Financial Position | 7 |
| Statement of Comprehensive Income | 8 |
| Statement of Changes in Equity | 9 |
| Statement of Cash Flows | 10 |
| Accounting Policies | 11 - 14 |
| Notes to the Annual Financial Statements | 15 - 17 |

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

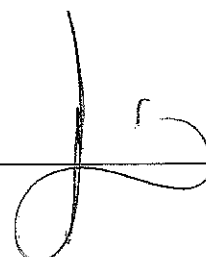
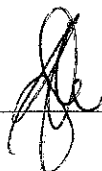
| | |
|---------------------------|----|
| Detailed Income Statement | 18 |
|---------------------------|----|

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Policy on Political Parties Allowances .

Preparer

MD Dreyer
MIAC



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
Accounting Officer's Responsibilities and Approval

The accounting officer are required in terms of the Policy on Political Parties Allowances 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 Congress of the People, herein after known as the "Parliamentary Fund", 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 South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

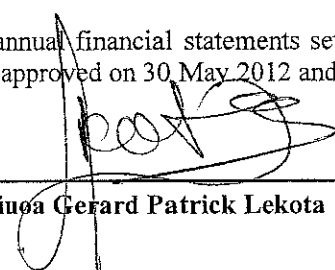
The current Accounting Officer, acknowledge that they are ultimately responsible for the system of internal financial control established by the Parliamentary Fund and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities,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

The Accounting Officer 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.

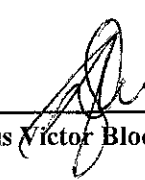
The Accounting Officer have reviewed the Parliamentary Fund's cash flow forecast for the year to 31 March 2013 and, in the light of this review and the current financial position, they are satisfied that the Parliamentary Fund has or has access to adequate resources to continue in operational existence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

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

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved on 30 May 2012 and signed by:



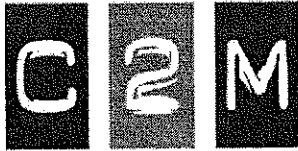
Mosiuoa Gerard Patrick Lekota



Dennis Victor Bloem

Bellville

30 May 2012



Chartered Accountants Inc.

Independent Auditors' Report

To the members of Congress of the People - Parliamentary Account

We have audited the annual financial statements of Congress of the People - Parliamentary Account, 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 flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the Accounting Officer's report as set out on pages 6 to 17.

Accounting Officer's Responsibility for the Annual Financial Statements

The Congress of the People's accounting officer is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and requirements of the Policy on Political Parties Allowances , and for such internal control as the Accounting Officer determines is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

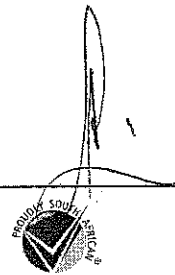
The Congress of the People's accounting officer is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and requirements of the Policy on Political Parties Allowances , and for 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 qualified audit opinion.



Basis for Qualified Opinion

The previous auditors were unable to satisfy themselves concerning the accuracy and completeness of the supporting documentation for the financial transactions underpinning all the elements of the financial statements as at 31 March 2011. They were thus unable to confirm or verify the disclosures in the financial statements, which comprise the statement of financial position, the statement of comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and explanatory notes.

Since the opening balances affect the financial statements, we were unable to determine whether adjustments to the opening balances might be necessary for 2012. Our audit opinion on the financial statements for the period ending 31 March 2012 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures. This is due to the fact that the previous year's audit report contained a disclaimer of opinion.

All the discrepancies with regards to the opening balances relating to the 31 March 2011 financial year, are expected to be resolved and amended during the course of the 31 March 2013 financial year.

The following matters of non-compliance with the Policy on Political Parties Allowances, 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 improved during the current financial year under review, but it is still not as effective and sufficient as the Policy on Political Party Allowance require.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Congress of the People - Parliamentary Account as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and the requirements of the Policy on Political Parties Allowances .

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 18 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

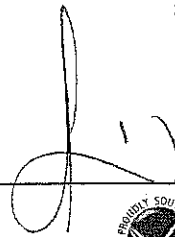


C2M Chartered Accountants Inc.
Chartered Accountants (S.A.)
Registered Auditors

30 May 2012

Tygerforum B
53 Willie van Schoor Drive
Tygervally
Bellville
7530

Per: A Nel



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
Accounting Officer's Report

The Accounting Officer submit his report for the year ended 31 March 2012.

1. Review of activities

Main business and operations

The Congress of the People (COPE), is a political party which engages in politics principally in South Africa. Cope had 37 elected members to Parliament for the year under review. As one of the political parties in the National Assembly, the party receives constituency allowances from the National Assembly to cater for its constituencies. The constituency allowance constitutes the party's main source of income in the year under review. This is the third year of the party's representation in the National Assembly.

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

Net profit of the company was R 1,306,882 (2011: R 1,155,835 loss).

2. Going concern

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

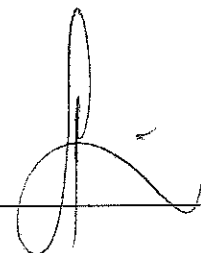
3. Directors

The Party's leader in the National Assembly is Mr.Mosiuo Patrick Gerhard Lekota. The Acting Chief Whip of the Parliamentary Fund is Mr.Dennis Victor Bloem.

| Name | Nationality |
|------------------------------|--------------------|
| Mosiuo Gerard Patrick Lekota | South African |
| Dennis Victor Bloem | South African |

4. Auditors

C2M Chartered Accountants Inc. has been appointed as auditors for the year ended 31 March 2012.



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
 (Registration number 2008/026811/08)
 Annual Financial Statements for the year ended 31 March 2012
 Statement of Financial Position

| Figures in Rand | Note(s) | 2012 | 2011 |
|-------------------------------------|---------|------------------|----------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 22,021 | 21,456 |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 1,945,486 | 941,690 |
| Total Assets | | 1,967,507 | 963,146 |
| Equity and Liabilities | | | |
| Equity | | | |
| Retained income | | 1,747,165 | 440,283 |
| Liabilities | | | |
| Current Liabilities | | | |
| Other financial liabilities | 4 | - | 330,191 |
| Trade and other payables | 5 | 220,341 | 192,673 |
| | | 220,341 | 522,864 |
| Total Equity and Liabilities | | 1,967,506 | 963,147 |

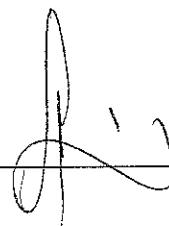



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
 (Registration number 2008/026811/08)
 Annual Financial Statements for the year ended 31 March 2012
 Statement of Comprehensive Income

| Figures in Rand | Note(s) | 2012 | 2011 |
|---|----------------|------------------|--------------------|
| Revenue | 6 | 6,885,050 | 5,573,333 |
| Operating expenses | | (5,588,960) | (6,748,275) |
| Operating profit (loss) | 7 | 1,296,090 | (1,174,942) |
| Investment revenue | 8 | 10,792 | 19,107 |
| Profit (loss) for the year | | 1,306,882 | (1,155,835) |
| Other comprehensive income | | - | - |
| Total comprehensive income (loss) | | 1,306,882 | (1,155,835) |
| Total comprehensive income (loss) attributable to: | | | |
| Owners of the parent | | 1,306,882 | (1,155,835) |


CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
Statement of Changes in Equity

| Figures in Rand | Retained income | Total equity |
|---|----------------------------|---------------------|
| Balance at 01 April 2010 | 1,596,118 | 1,596,118 |
| Changes in equity | | |
| Total comprehensive income for the year | (1,155,835) | (1,155,835) |
| Total changes | (1,155,835) | (1,155,835) |
| Balance at 01 April 2011 | 440,283 | 440,283 |
| Changes in equity | | |
| Total comprehensive income for the year | 1,306,882 | 1,306,882 |
| Total changes | 1,306,882 | 1,306,882 |
| Balance at 31 March 2012 | 1,747,165 | 1,747,165 |



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
 (Registration number 2008/026811/08)
 Annual Financial Statements for the year ended 31 March 2012
 Statement of Cash Flows

| Figures in Rand | Note(s) | 2012 | 2011 |
|---|----------------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 11 | 1,332,375 | (980,881) |
| Interest income | | 10,792 | 19,107 |
| Net cash from operating activities | | 1,343,167 | (961,774) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (9,182) | - |
| Cash flows from financing activities | | | |
| Repayment of other financial liabilities | | (330,191) | 330,191 |
| Net cash from financing activities | | (330,191) | 330,191 |
| Total cash movement for the year | | 1,003,794 | (631,583) |
| Cash at the beginning of the year | | 941,690 | - |
| Total cash at end of the year | 3 | 1,945,484 | (631,583) |

CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Policy on Political Parties Allowances . 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 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

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

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Average useful life |
|------------------------|----------------------------|
| Furniture and fixtures | 6 years |
| IT equipment | 3 years |
| Computer software | 3 years |

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

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

1.2 Financial instruments

Classification

The Parliamentary Fund classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost



1.2 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially when the Parliamentary Fund becomes a party to the contractual provisions of the instruments.

The Parliamentary Fund classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

1.4 Impairment of assets

The Parliamentary Fund assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.5 Provisions and contingencies

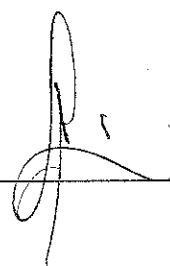
Provisions are recognised when:

- the Parliamentary Fund has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
Accounting Policies

1.6 Government grants

Parliamentary allocations are recognised when there is reasonable assurance that:

- the Parliamentary Fund will comply with the conditions attaching to them; and
- the allocations will be received.

Parliamentary allocations is recognised as income in the period in which it accrues.

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

1.7 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
 (Registration number 2008/026811/08)
 Annual Financial Statements for the year ended 31 March 2012

Notes to the Annual Financial Statements

Figures in Rand 2012 2011

2. Property, plant and equipment

| | 2012 | | | 2011 | | |
|------------------------|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| | Cost / Valuation | Accumulated depreciation | Carrying value | Cost / Valuation | Accumulated depreciation | Carrying value |
| Furniture and fixtures | 11,794 | (2,950) | 8,844 | 6,897 | (1,068) | 5,829 |
| IT equipment | 19,683 | (6,506) | 13,177 | 16,074 | (447) | 15,627 |
| Computer software | 675 | (675) | - | - | - | - |
| Total | 32,152 | (10,131) | 22,021 | 22,971 | (1,515) | 21,456 |

Reconciliation of property, plant and equipment - 2012

| | Opening balance | Additions | Depreciation | Total |
|------------------------|-----------------|--------------|----------------|---------------|
| Furniture and fixtures | 5,829 | 4,897 | (1,882) | 8,844 |
| IT equipment | 15,627 | 3,610 | (6,060) | 13,177 |
| Computer software | - | 675 | (675) | - |
| | 21,456 | 9,182 | (8,617) | 22,021 |

Reconciliation of property, plant and equipment - 2011

| | Opening balance | Depreciation | Total |
|------------------------|-----------------|----------------|---------------|
| Furniture and fixtures | 6,770 | (941) | 5,829 |
| IT equipment | 21,687 | (6,060) | 15,627 |
| | 28,457 | (7,001) | 21,456 |

3. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------|------------------|----------------|
| Cash on hand | 581 | - |
| Bank balances | 1,944,905 | 384,160 |
| Short-term deposits | - | 557,530 |
| | 1,945,486 | 941,690 |

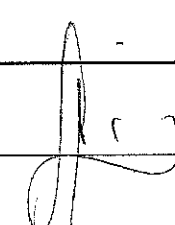
4. Other financial liabilities

Held at amortised cost

| | | |
|--|---|---------|
| Congress of the People | - | 330,191 |
| The loan is interest free and payable on demand. | | |

Current liabilities

| | | |
|-------------------|---|---------|
| At amortised cost | - | 330,191 |
|-------------------|---|---------|

CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
 (Registration number 2008/026811/08)
 Annual Financial Statements for the year ended 31 March 2012

Notes to the Annual Financial Statements

| Figures in Rand | 2012 | 2011 |
|--|------------------|------------------|
| 5. Trade and other payables | | |
| Trade payables | 23,487 | - |
| Accrued leave pay | 110,854 | 100,000 |
| Accounting & Audit Fee Accrual | 86,000 | 36,000 |
| Other Accrual | - | 7,133 |
| UIF | - | 2,622 |
| PAYE | - | 47,444 |
| Suspense Account | - | (526) |
| | <u>220,341</u> | <u>192,673</u> |
| 6. Revenue | | |
| Parliamentary allowance | <u>6,885,050</u> | <u>5,573,333</u> |
| 7. Operating profit (loss) | | |
| Operating profit (loss) for the year is stated after accounting for the following: | | |
| Operating lease charges | | |
| Equipment | | |
| • Contractual amounts | <u>309,601</u> | <u>297,244</u> |
| Depreciation on property, plant and equipment | 8,617 | 1,388 |
| Employee costs | <u>4,578,426</u> | <u>4,227,293</u> |
| 8. Investment revenue | | |
| Interest revenue | | |
| Bank | <u>10,792</u> | <u>19,107</u> |
| 9. Taxation | | |
| No provision has been made for tax. The entity is exempt as it is a political party. | | |
| 10. Auditors' remuneration | | |
| Fees | <u>158,712</u> | <u>607,145</u> |
| 11. Cash generated from operations | | |
| Profit before taxation | 1,306,882 | (1,155,835) |
| Adjustments for: | | |
| Depreciation and amortisation | 8,617 | 1,388 |
| Interest received | (10,792) | (19,107) |
| Changes in working capital: | | |
| Trade and other payables | 27,668 | 192,673 |
| | <u>1,332,375</u> | <u>(980,881)</u> |

CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012

Notes to the Annual Financial Statements

| Figures in Rand | 2012 | 2011 |
|--|------|-----------------------------|
| 12. Related parties | | |
| Relationships | | |
| COPE Constituency Account | | Entity managed by the Party |
| Congress of the People | | Party |
| Related party balances | | |
| Loan accounts - Owing (to) by related parties | | |
| Congress of the People | - | (330,191) |

13. Risk management

Liquidity risk

The Parliamentary Fund's risk to liquidity is a result of the funds available to cover future commitments. The Parliamentary Fund manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest rate risk

As the Parliamentary Fund has no significant interest-bearing assets, the Parliamentary Fund's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Parliamentary Fund only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Cash flow risk

The cash flow risk to the Congress of the People is that during the course of the year its cash flow resources are depleted prior to the receipt of the new allocations from Parliament. This risk is managed through detailed cash flow forecasts and budgetary comparisons that are performed on a regular basis and ensuring that all expenses stay within budgetary limits as forecast.

14. Going concern

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



CONGRESS OF THE PEOPLE - PARLIAMENTARY ACCOUNT
(Registration number 2008/026811/08)
Annual Financial Statements for the year ended 31 March 2012
Detailed Income Statement

| Figures in Rand | Note(s) | 2012 | 2011 |
|--|----------------|--------------------|--------------------|
| Revenue | | | |
| Parliamentary Allowance | | 6,885,050 | 5,573,333 |
| Other income | | | |
| Interest received | 8 | 10,792 | 19,107 |
| Operating expenses | | | |
| Accounting fees | | - | (22,521) |
| Advertising | | (38,422) | (11,573) |
| Auditors remuneration | 10 | (158,712) | (607,145) |
| Bank charges | | (76,992) | (50,073) |
| Computer expenses | | (19,954) | (33,088) |
| Consulting and professional fees | | (133,452) | - |
| Depreciation, amortisation and impairments | | (8,617) | (1,388) |
| Employee costs | | (4,578,426) | (4,227,293) |
| Depreciation, amortisation and impairments | | (26,464) | (5,820) |
| Assets written off | | (2,398) | (21,014) |
| Lease rentals on operating lease | | (309,601) | (297,244) |
| Legal expenses | | - | (1,181,426) |
| Postage | | (432) | - |
| Printing and stationery | | (28,521) | (36,913) |
| Repairs and maintenance | | (747) | - |
| Staff welfare | | (4,559) | (13,650) |
| Subscriptions | | (72,390) | (23,683) |
| Telephone and fax | | (124,761) | (208,777) |
| Training | | (2,398) | - |
| Travel - local | | (2,114) | (6,667) |
| | | (5,588,960) | (6,748,275) |
| Profit (loss) for the year | | 1,306,882 | (1,155,835) |