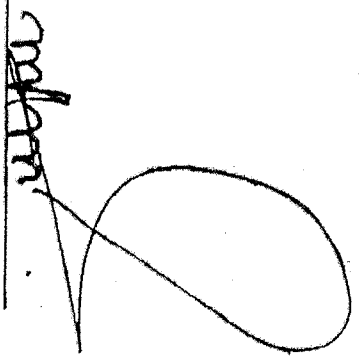


FINANCIAL STATEMENTS  
OF THE  
ELECTORAL COMMISSION

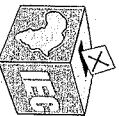
**BALANCE SHEET  
at 31 March 2000**

	Notes	2000 R	1999 R
<b>ASSETS</b>			
Non-current assets			
Equipment, furniture and vehicles	2	82 760 937	113 307 065
Current assets			
Consumables held for future use		367 391	373 998
Receivables and prepayments	3	64 175 190	81 043 368
Cash and cash equivalents	4	43 967 879	134 583 330
<b>Total assets</b>		<b>108 510 460</b>	<b>216 000 696</b>
<b>RESERVE AND LIABILITIES</b>			
Reserve			
Unutilised surplus	5	109 396 764	192 547 778
Current liabilities			
Trade and other payables	6	59 718 918	124 875 678
Provisions for liabilities and charges		17 792 242	7 918 751
Deposits held in trust	7	4 363 473	3 965 554
<b>Total reserve and liabilities</b>		<b>81 874 633</b>	<b>136 759 983</b>
		<b>191 271 397</b>	<b>329 307 761</b>

  
CHIEF ELECTORAL OFFICER

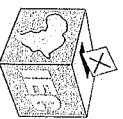
PRETORIA

DATE: 15/12/2000



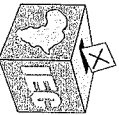
**INCOME STATEMENT**  
for the year ended 31 March 2000

	Notes	2000 R	1999 R
INCOME	8	<u>727 918 121</u>	<u>671 406 4</u>
Operating (deficit)/surplus	8	(82 797 302)	187 736 0
Financing costs	9	<u>(353 712)</u>	<u>(391 05)</u>
(Deficit)/Surplus for the year		(83 151 014)	187 345 0
Unutilised surplus - beginning of year		192 547 778	
Unutilised surplus - previous Commission		-	5 202 7
- Surplus transferred 1 April 1998		-	45 202 7
- Less: Amount included in income		<u>-</u>	<u>(40 000 00)</u>
Unutilised surplus at 31 March 2000		<u>109 396 764</u>	<u>192 547 7</u>



**CASH FLOW STATEMENT**  
for the year ended 31 March 2000

	Notes	2000 R	1999 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash (utilised by)/generated from Operations	10.1	(83 157 796)	187 387 256
Interest received		11 489 673	30 310 763
Interest paid		(353 712)	(391 054)
Net cash (outflow)/inflow from operating activities		(72 021 835)	217 306 965
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of equipment, furniture and vehicles		(19 872 568)	(133 748 275)
Proceeds on disposal of fixed assets		1 278 952	-
Net cash outflow from investing activities		(18 593 616)	(133 748 275)
Net (decrease)/increase in cash and cash equivalents		(90 615 451)	83 558 690
Cash transferred from IEC			51 024 640
Cash and cash equivalents at beginning of period	10.2	134 583 330	-
Cash and cash equivalents at end of year		43 967 879	134 583 330



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2000**

**1. Accounting policy**

The annual financial statements are prepared on the historical cost basis, and conform, in all material respects, to South African Generally Accepted Accounting Practice.

The principal accounting policies adopted and applied are set out below.

**1.1 Revenue recognition**

Government grants for the financing of operating expenditure and capital are accounted for as income on the accrual basis.

Interest is recognised on a time proportion basis.

Donor funds received are not included as income nor are the payments made out of these funds treated as expenses as these amounts are only administered by the Commission on behalf of the relevant parties or beneficiaries.

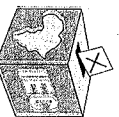
Income other than grants and interest, are accounted for in the year of receipt.

**1.2 Equipment, furniture and vehicles**

Equipment, furniture and vehicles are shown at historical cost less accumulated depreciation.

Depreciation on equipment, furniture and vehicles are calculated to write off the cost thereof on a straight-line basis over its expected useful life. Artwork is written off in the year of purchase to a residual value of R1 per item. All assets purchased at a value of less than R1 000 have been written off to R1 per item. The expected useful lives for depreciation purposes, for the main categories of equipment, furniture and vehicles, are as follows:

Computer equipment and software	3 years
Scanners	3 years
Office machines and equipment	6 years
Cell phones	3 years
Furniture and fittings	5 - 6 years
Motor vehicles	5 years
Appliances	6 years
Artwork	1 year
Pre-fabricated buildings	5-6 years



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2000**

**1.2 Equipment, furniture and vehicles (continued)**

Expenditure on improvements to leasehold property is charged to the income statement in the period in which it is incurred.

**1.3 Intangible assets**

No value is attributed to internally developed trademarks. Costs incurred on trademarks are charged to the income statement in the period in which they are incurred.

**1.4 Sale and leaseback**

Where sale and leaseback transactions result in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

Where a sale and leaseback transaction results in an operating lease and the transaction is established at fair value any profit or loss is recognised immediately. Where the sale price is above or below the fair value the surplus or deficit is deferred and amortised over the period for which the asset is expected to be used.

**1.5 Consumables**

Consumable stock items are valued at the lower of average cost or estimated net realisable value.

**1.6 Foreign currencies**

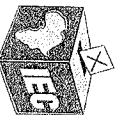
Transactions in foreign currencies are accounted for at the rate ruling on the transaction date or the contractually agreed to rate if applicable. Gains and losses arising from the settlement of such transactions are recognised in the income statement as part of operating expenditure.

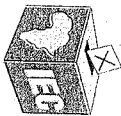
**1.7 Financial instruments**

Financial instruments carried on the balance sheet include cash and cashbook balances, call deposits, receivables and trade creditors. These instruments are generally carried at their estimated fair value. For example, receivables are carried net of the estimated doubtful receivables. The particular recognition methods adopted are disclosed in the individual notes associated with each item.

**1.8 Cash flow**

For the purposes of the cash flow statement, cash includes cash on hand and deposits held on call with banks.

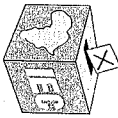




NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2000

2. EQUIPMENT, FURNITURE AND VEHICLES

	Computer equipment and software R	Scanners R	Office machines and equipment R	Cell phones R	Furniture and fittings R	Motor vehicles R	Appliances R	Artwork R	Pre- fabricated buildings R	Other assets before September 1994 R	TOTAL R
<b>Year ended 31 March 2000</b>											
Net book amount											
- opening net book amount	29 829 690	75 582 363	2 775 735	23 258	3 750 517	1 305 901	33 936	163	-	5 502	113 307 065
- additions during year	14 214 969	-	2 421 074	7 153	1 194 769	1 655 231	42 534	69 838	267 000	-	19 872 568
- disposals during year	(148 109)	-	(1 004 272)	-	(25 975)	(69 430)	-	-	-	-	(1 247 786)
- depreciation charge for the year	(16 125 649)	(30 049 295)	(982 279)	(12 700)	(1 432 160)	(441 457)	(18 924)	(69 792)	(38 654)	-	(49 170 910)
Closing net book amount	27 770 901	45 533 068	3 210 258	17 711	3 487 151	2 450 245	57 546	209	228 346	5 502	82 760 937
<b>At 31 March 2000</b>											
Cost											
- opening balance (cost)	37 937 506	89 910 582	3 534 516	47 603	4 457 772	1 455 785	54 730	223 817	-	5 502	137 627 813
- additions during year	14 214 969	-	2 421 074	7 153	1 194 769	1 655 231	42 534	69 838	267 000	-	19 872 568
- write-offs	(180 531)	-	(1 171 266)	-	(30 791)	(76 516)	-	-	-	-	(1 459 104)
Accumulated depreciation											
- opening balance	(8 107 816)	(14 328 219)	(758 781)	(24 345)	(707 255)	(149 884)	(20 794)	(223 654)	-	-	(24 320 748)
- write-offs	32 422	-	166 994	-	4 816	7 086	-	-	-	-	211 318
- charge current year	(16 125 649)	(30 049 295)	(982 279)	(12 700)	(1 432 160)	(441 457)	(18 924)	(69 792)	(38 654)	-	(49 170 910)
Net book amount	27 770 901	45 533 068	3 210 258	17 711	3 487 151	2 450 245	57 546	209	228 346	5 502	82 760 937



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2000

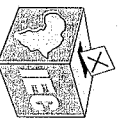
2. EQUIPMENT, FURNITURE AND VEHICLES (continued)

	Computer equipment and software	Scanners	Office machines and equipment	Cell phones	Furniture and fittings	Motor vehicles	Appliances	Artwork	Other assets before September 1994	TOTAL
	R	R	R	R	R	R	R	R	R	R
Year ended 31 March 1999										
Opening net book amount										
- transferred from previous Commission	2 134 657	-	707 778	10 679	2 875	6	1 535	-	5 502	2 863 032
- additions during year	34 947 526	89 910 582	2 672 132	31 511	4 454 127	1 455 779	52 801	223 817	-	133 748 275
- disposals during year	(14 655)	-	-	-	-	-	(124)	-	-	(14 779)
- depreciation charge for the year	(7 237 838)	(14 328 219)	(604 175)	(18 932)	(706 485)	(149 884)	(20 276)	(223 654)	-	(23 289 463)
Closing net book amount	29 829 690	75 582 363	2 775 735	23 258	3 750 517	1 305 901	33 936	163	5 502	113 307 065
At 31 March 1999										
Cost										
- transferred from previous Commission	2 989 980	-	862 384	16 092	3 645	6	1 929	-	5 502	3 879 538
- additions during year	34 947 526	89 910 582	2 672 132	31 511	4 454 127	1 455 779	52 801	223 817	-	133 748 275
Accumulated depreciation										
- transferred from previous Commission	(869 978)	-	(154 606)	(5 413)	(770)	-	(518)	-	-	(1 031 285)
- charge current year	(7 237 838)	(14 328 219)	(604 175)	(18 932)	(706 485)	(149 884)	(20 276)	(223 654)	-	(23 289 463)
Net book amount	29 829 690	75 582 363	2 775 735	23 258	3 750 517	1 305 901	33 936	163	5 502	113 307 065

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2000

	2000	1999
	R	R
<b>3. Receivables and prepayments</b>		
Trade accounts receivable	262 944	182 595
Deposits	418 548	10 323 129
Prepayments	40 694	816 514
Accrued interest	107 575	1 058 514
Outstanding bank deposits	227 119	9 720 262
Sundry	1 544 518	1 213 038
VAT claims	61 774 796	57 831 419
<b>Less: Provision for irrecoverable debts</b>	<b>(201 004)</b>	<b>(102 103)</b>
	<u>64 175 190</u>	<u>81 043 368</u>
<b>4. Cash and cash equivalents</b>		
Bank balances - current accounts	36 074 876	56 898 001
Call deposits	7 848 591	77 669 630
Petty cash	44 412	15 699
	<u>43 967 879</u>	<u>134 583 330</u>
<b>5. Unutilised surplus</b>		
Surplus beginning of year	192 547 778	-
Balance transferred from the previous Commission	-	5 202 756
Surplus at 1 April 1998	-	45 202 756
<b>Less: Amount included in income</b>	<b>-</b>	<b>(40 000 000)</b>
(Deficit)/Surplus for the year	<u>(83 151 014)</u>	<u>187 345 022</u>
Balance at 31 March 2000	<u>109 396 764</u>	<u>192 547 778</u>

An amount of R40 000 000, brought forward from the previous Commission, was transferred to income during the 1999 financial year as it represents a portion of the allocated budget of R640 000 000 from State Expenditure, of which only R600 000 000 was transferred to the Electoral Commission via the Department of Home Affairs.



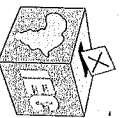
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2000

	2000	1999
	R	R
6. Trade and other payables		
Trade accounts payable	7 173 603	50 474 028
State Electoral Fund	210 804	210 804
Deposits	1 841 000	269 000
Sundry	2 495 620	1 378 887
Legal - previous Commission	4 512 292	4 167 004
Cheques not presented for payment	43 485 599	68 375 955
	<u>59 718 918</u>	<u>124 875 678</u>

7. Deposits held in trust

Grants received in respect of the furtherance of Democracy		
- European Union - previous Commission	3 682 527	3 682 527
- Royal Netherlands Embassy	30 950	283 027
- Greek Embassy	149 996	-
- Austrian Embassy	500 000	-
	<u>4 363 473</u>	<u>3 965 554</u>

The total amount of R4 363 473 (1999: R3 965 554) is held in trust. The above balance represents the unexpended portion of grants of R4 682 523 received from the various donors that the Electoral Commission is still to distribute to specific concerns in accordance with contractual arrangements for voter education.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2000

2000 1999  
R R

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

Revenue from:		
- Government grant	713 500 000	640 000 00
- Electoral donations	1 521 967	850 23
- Rental income	-	148 17
- Political party registration fees	3 947	16 50
- Interest received	11 489 673	30 310 76
- Other	1 402 534	80 78
	<u>727 918 121</u>	<u>671 406 45</u>

Auditors remuneration:

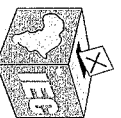
- Audit fees	1 652 425	1 302 92
	<u>1 652 425</u>	<u>1 302 92</u>

Depreciation:

- Computer equipment and software	16 125 649	7 237 83
- Scanners	30 049 295	14 328 21
- Office machines and equipment	982 279	604 17
- Cell phones	12 700	18 93
- Furniture and fittings	1 432 160	706 46
- Motor vehicles	441 457	149 86
- Appliances	18 924	20 27
- Artwork	69 792	223 65
- Pre-fabricated buildings	38 654	
	<u>49 170 910</u>	<u>23 289 46</u>

Net surplus/(deficit) on disposal/scrapping of equipment, furniture and vehicles:  
- Equipment - disposal/scrapping  
- Vehicles - disposal  
- Equipment - sale and leaseback

	(111 138)	(14 77)
	(24 430)	
	166 734	
	<u>31 166</u>	<u>(14 77)</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2000

	2000	1999
	R	R
8. Operating surplus is arrived at after taking the following into account: (continued)		
Rentals in respect of operating leases:		
- Land and buildings	17 940 843	14 906 113
- Equipment	6 630 747	2 886 959
	<u>24 571 590</u>	<u>17 793 072</u>
Fees for services:		
- Private institutions	203 089 546	174 119 809
- Government institutions	18 606 386	13 751 972
- Other	8 685 358	6 504 946
- Computer services - wide area network	28 912 572	21 070 868
	<u>259 293 862</u>	<u>215 447 595</u>
9. Financing costs		
Interest paid - Legal - Previous Commission	351 971	371 688
Interest paid - Other	1 741	19 366
	<u>353 712</u>	<u>391 054</u>

