

**CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Political party activities
Directors	MGP Lekota (Party Leader) D Carter (Deputy General Secretary)
Registered office	6th Floor, Metropolitan Building 108 Fox Street Marshalltown Johannesburg 2000
Business address	6th Floor, Metropolitan Building 108 Fox Street Marshalltown Johannesburg 2000
Bankers	First National Bank
Auditor's	C2M Chartered Accountants Inc. Chartered Accountants (S.A.) Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: MD Dreyer Professional Accountants (S.A.)
Issued	12 July 2017

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

INDEX

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

Index	Page
Accounting Officer's Responsibilities and Approval	3
Independent Auditor's 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 - 12
Notes to the Annual Financial Statements	13 - 14
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	15

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The members are required by the Companies Act 71 of 2008, 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 party 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 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 judgements and estimates.

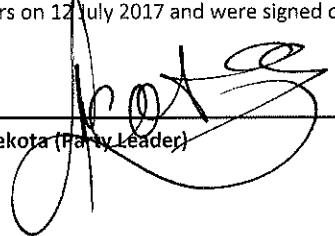
The members acknowledge that they are ultimately responsible for the system of internal financial control established by the party and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members sets standards for internal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

The 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.

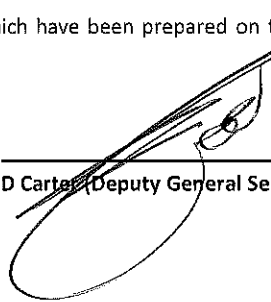
The members have reviewed the party's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the party has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the party's annual financial statements. The annual financial statements have been examined by the party's external auditor's and their report is presented on page 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the members on 12 July 2017 and were signed on its behalf by:



MGP Lekota (Party Leader)



D Carter (Deputy General Secretary)

Bellville
12 July 2017

INDEPENDENT AUDITOR'S REPORT

To the shareholders of CONGRESS OF THE PEOPLE - IEC ACCOUNT

Opinion

We have audited the Annual Financial Statements of CONGRESS OF THE PEOPLE - IEC ACCOUNT set out on pages 7 to 14, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of CONGRESS OF THE PEOPLE - IEC ACCOUNT as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the requirement of the Public Funding of Represented Political Parties Act 103 of 1997. In our opinion the funds allocated from the Represented Political Parties' Fund were spent, in all material respects, for the purposes authorised by the Public Funding of Represented Political Parties Act 103 of 1997.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the members for the Annual Financial Statements

The members are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with and the requirements of the Public Funding of Represented Political Parties Act 103 of 1997, and for such internal control as the members determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error

In preparing the Annual Financial Statements, the members are responsible for assessing the party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the party or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the party's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

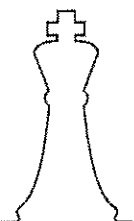
We communicate with the members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Anno Nel
Chartered Accountants (S.A.)
Registered Auditor
Director

12 July 2017

Tygerforum B
53 Willie van Schoor Drive
Tygervalley
Bellville
7530



CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

ACCOUNTING OFFICER'S REPORT

The party leaders have pleasure in submitting their report on the annual financial statements of CONGRESS OF THE PEOPLE - IEC ACCOUNT for the year ended 31 March 2017.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Public Funding of Represented Political Parties Act 103 of 1997. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the party are set out in these annual financial statements.

2. Party leaders

The party leaders in office at the date of this report are as follows:

Party leaders

MGP Lekota (Party Leader)

D Carter (Deputy General Secretary)

3. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the party or in the policy regarding their use.

4. Events after the reporting period

The party leaders are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The party leaders have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the party and do not believe that the party has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly not been prepared on the going concern basis.

6. Auditors

C2M Chartered Accountants Inc. continued in office as auditors for the party for 2017.

7. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 12 July 2017. No authority was given to anyone to amend the financial statements after the date of issue.

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note(s)	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	54,267	98,377
Current Assets			
Cash and cash equivalents	4	117,014	4,087
Total Assets		171,281	102,464
Equity and Liabilities			
Equity			
Accumulated loss		(1,353,009)	(1,421,722)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	3	1,524,290	1,524,186
Total Equity and Liabilities		171,281	102,464

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2017 R	2016 R
Revenue	5	1,810,679	1,725,032
Operating expenses		(1,742,997)	(1,627,752)
Operating profit		67,682	97,280
Investment revenue	6	1,031	3,668
Profit for the year		68,713	100,948
Other comprehensive income		-	-
Total comprehensive income for the year		68,713	100,948

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF CHANGES IN EQUITY

	Accumulated loss R	Total equity R
Balance at 01 April 2015	(1,522,670)	(1,522,670)
Profit for the year	100,948	100,948
Other comprehensive income	-	-
Total comprehensive income for the year	100,948	100,948
Balance at 01 April 2016	(1,421,722)	(1,421,722)
Profit for the year	68,713	68,713
Other comprehensive income	-	-
Total comprehensive income for the year	68,713	68,713
Balance at 31 March 2017	(1,353,009)	(1,353,009)

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF CASH FLOWS

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash generated from operations	7	111,792	140,801
Interest income		1,031	3,668
Net cash from operating activities		112,823	144,469
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(30,897)
Proceeds from loans from group companies		104	-
Repayment of loans from group companies		-	(302,213)
Net cash from investing activities		104	(333,110)
Total cash movement for the year		112,927	(188,641)
Cash at the beginning of the year		4,087	192,728
Total cash at end of the year	4	117,014	4,087

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

ACCOUNTING POLICIES

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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

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

Cost 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.3 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

ACCOUNTING POLICIES

1.3 Government grants (continued)

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.4 Revenue

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

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017			2016			
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value	
2. Property, plant and equipment							
Motor vehicles	185,000	(148,000)	37,000	185,000	(111,000)	74,000	
Office equipment	23,899	(9,162)	14,737	23,899	(4,382)	19,517	
IT equipment	6,999	(4,469)	2,530	6,999	(2,139)	4,860	
Total	215,898	(161,631)	54,267	215,898	(117,521)	98,377	
Reconciliation of property, plant and equipment - 2017							
				Opening balance	Depreciation	Total	
Motor vehicles				74,000	(37,000)	37,000	
Office equipment				19,517	(4,780)	14,737	
IT equipment				4,860	(2,330)	2,530	
				98,377	(44,110)	54,267	
Reconciliation of property, plant and equipment - 2016							
				Opening balance	Additions	Depreciation	Total
Motor vehicles				111,000	-	(37,000)	74,000
Office equipment				-	23,898	(4,381)	19,517
IT equipment				-	6,999	(2,139)	4,860
				111,000	30,897	(43,520)	98,377
3. Other financial liabilities							
COPE Head Office					(1,524,290)	(1,524,186)	
This loan is interest free, unsecured and not repayable within the next twelve months.							
4. Cash and cash equivalents							
Cash and cash equivalents consist of:							
Bank balances					117,014	4,087	
5. Revenue							
IEC Allowance					1,810,679	1,725,032	
6. Investment revenue							
Interest revenue							
Bank					1,031	3,668	

CONGRESS OF THE PEOPLE - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016
	R	R
7. Cash generated from operations		
Profit before taxation	68,713	100,948
Adjustments for:		
Depreciation and amortisation	44,110	43,520
Interest received	(1,031)	(3,668)
Other non-cash items	-	1
	111,792	140,801

8. 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 - IEC ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

DETAILED INCOME STATEMENT

	Note(s)	2017 R	2016 R
Revenue			
IEC Allowance		1,810,679	1,725,032
Other income			
Interest received	6	1,031	3,668
Operating expenses			
Administrative expenses		(207,842)	(391,869)
Accounting fees		-	(72,496)
Bank charges		(9,507)	(11,477)
Depreciation		(44,110)	(43,520)
Lease rentals on operation lease		(33,753)	-
Removals and storage		-	(162,573)
Repair and maintenance		-	(24,755)
Telephone and fax		(82,383)	(44,672)
Website hosting		(38,089)	(32,376)
Arrangement of meeting and rallies		(26,311)	(417,407)
Conferences		(23,000)	(417,407)
Catering		(3,311)	-
Promotions and Publications		(1,432,684)	(166,806)
Electioneering		(317,000)	(2,500)
Printing posters		(1,115,684)	(164,306)
Travel and accomodation		(76,161)	(651,670)
Travel		(58,355)	-
Accomodation		(12,000)	(636,670)
Fuel and oil		(5,806)	(15,000)
		(1,742,998)	(1,627,752)
Profit for the year		68,712	100,948