

SADC Parliamentary Forum
Annual Financial Statements
for the year ended 31 March 2021

SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	The Forum was established for the purpose of strengthening capacity of the Southern African Development Community (SADC) by involving parliamentarians of SADC member states in activities that contribute to the well being of SADC.
Executive Committee Members	Hon. Speaker Esperanca Laurinda Francisco Nhuiane Bias Senator Isaac Mmemo Magagula Hon. Samuel Kawale Hon. Josefina Pitra Diakite Hon. Speaker Prof. Peter H. Katjavivi Hon. Anne Rosie Bistoquet Hon. Speaker Justice Dr Patrick Matibini Hon. Speaker Advocate Jacob Francis Mudenda Hon. Speaker MBOSO N'Kodia Pwanga Christophe Hon. Speaker Fernando da Piedade Dias dos Santos Hon. Jeronima Agostinho Hon. Polson Majaga Hon. Speaker Catherine Gotani Hara Hon. Darren Bergman Hon. Speaker Petros Mavimbela Hon. Speaker Adv. Jacob Francis Nzwidamilimo Mudenda Hon. Ts'epang Ts'ita Mosena Non-Presiding Officer Hon. Dr. Fiarovana Lovanirina Celestin Fianovana Hon. Ann-Marie Mbilambangu
Registered office	Parliament Gardens Erf 578 Love Street Windhoek
Business address	Parliament Gardens Erf 578 Love Street Windhoek
Auditors	BDO Namibia Registered Accountants and Auditors Chartered Accountant (Namibia)
Bankers	First National Bank Nedbank
Secretary General	Ms. Boemo Sekgoma

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Executive Committee's Responsibilities and Approval

The Executive Committee is required in terms of the SADC Parliamentary Forum's Constitution to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements fairly present the state of affairs of the Forum 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 auditor is 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 judgements and estimates.

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

The Executive Committee is 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 Executive Committee has reviewed the Forum's cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, it is satisfied that the Forum has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Forum's annual financial statements. The annual financial statements have been examined by the Forum's external auditor and their report is presented on pages 7 to 9.

The annual financial statements set out on pages 10 to 35, which have been prepared on the going concern basis, were approved by the Executive Committee on _____ and were signed on their behalf by:

Approval of financial statements

Hon. Speaker MBOSO N'Kodia Pwanga Christophe

SADC PF President and Speaker of the
National Assembly of the DRC

Hon. Darren Bergman

Treasurer

SADC Parliamentary Forum

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Executive Committee's Report

The Executive Committee has pleasure in submitting its report on the annual financial statements of SADC Parliamentary Forum for the year ended 31 March 2021.

1. Nature of business

The Forum was established for the purpose of strengthening capacity of the Southern African Development Community (SADC) by involving by involving parliamentarians of SADC member states in activities that contribute to the well being of SADC.

There have been no material changes to the nature of the Forum's business from the prior year.

2. 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 Forum's Constitution. 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 Forum are set out in these annual financial statements.

3. Property, plant and equipment

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

At 31 March 2021 the Forum's investment in property, plant and equipment amounted to N\$ 8,288,373 (2020: N\$ 4,011,491-), of which N\$ 8,236,178 (2020: N\$ 25,894-) was added in the current year through additions.

4. Events after the reporting period

On the 18th of August 2021, the 41st Ordinary Summit of the Heads of State and Government of SADC approved the transformation of the SADC PF into a SADC Parliament as a consultative and a deliberative body.

The Executive Committee is not aware of any other material events which occurred after the reporting date and up to the date of this report.

5. Executive Committee members

The Executive Committee members in office at the date of this report are as follows:

Directors	Office	Designation	Nationality	Changes
Hon. Speaker Esperanca Laurinda	MP	Non-executive	Mozambique	
Francisco Nhuiane Bias				
Senator Isaac Mmemo Magagula	MP	Non-executive	Eswatini	
Hon. Samuel Kawale	MP	Non-executive	Malawi	
Hon. Josefina Pitra Diakite	MP	Non-executive	Angola	
Hon. Speaker Phandu Tombola	MP	Non-executive	Botswana	Resigned Friday, 27 November 2020
Chaha Skeleman				
Hon. Speaker Jeanine Mabunda	MP	Non-executive	DRC	Resigned Friday, 27 November 2020
Rt. Hon. Speaker Sephiri Enoch	MP	Non-executive	Lesotho	Resigned Friday, 27 November 2020
Motanyane				
Hon. Speaker Christine Harijaona	MP	Non-executive	Madagascar	Resigned Friday, 27 November 2020
Razanamahaso				
Hon. Ashley Ittoo	MP	Non-executive	Mauritius	Resigned Friday, 27 November 2020
Hon. Speaker Prof. Peter H.	MP	Non-executive	Namibia	
Katjavivi				
Hon. Anne Rosie Bistoquet		Executive	Seychelles	Appointed Friday, 27 November 2020
Hon. Speaker Justice Dr Patrick			Zambia	
Matibini				
Hon. Speaker Nicholas Prea	MP	Non-executive	Seychelles	Resigned Friday, 27 November 2020
Hon. Speaker Thandi Modise	MP	Non-executive	South Africa	Resigned Friday, 27 November 2020

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Executive Committee's Report

Hon. Speaker Job Ndugai	MP	Non-executive	Tanzania	Resigned Friday, 27 November 2020
Hon. Dr Situmbeko Musokotwane	MP	Non-executive	Zambia	Resigned Friday, 27 November 2020
Hon. Speaker Advocate Jacob Francis Mudenda	MP	Non-executive	Zimbabwe	
Hon. Mats'epo Molise-Ramokoane	Ex-officio & RWPC Chairperson	Non-executive	Lesotho	Resigned Friday, 27 November 2020
Hon. Speaker MBOSO N'Kodia Pwanga Christophe	President	Executive	DRC	Appointed Friday, 27 November 2020
Hon. Speaker Fernando da Piedade Dias dos Santos	MP	Executive	Angola	Appointed Friday, 27 November 2020
Hon. Jeronima Agostinho			Mozambique	
Hon. Polson Majaga	MP	Executive	Botswana	Appointed Friday, 27 November 2020
Hon. Speaker Catherine Gotani Hara			Malawi	
Hon. Darren Bergman	MP Treasurer	Executive	South Africa	Appointed Friday, 27 November 2020
Hon. Speaker Petros Mavimbela	MP	Executive	Eswatini	Appointed Friday, 27 November 2020
Hon. Speaker Adv. Jacob Francis Nzwidamilimo Mudenda			Zimbabwe	
Hon. Ts'epang Ts'ita Mosena	MP	Executive	Lesotho	Appointed Friday, 27 November 2020
Non-Presiding Officer	TBA		Tanzania	
Hon. Dr. Fiarovana Lovanirina	Vice President	Executive	Madagascar	Appointed Friday, 27 November 2020
Celestin Fianovana				
Hon. Ann-Marie Mbilambangu			RWPC Chairperson	
Hon. Speaker Soorojdev Phokeer	MP	Executive	Mauritius	
Hon. Dought Ndiweni			Zimbabwe	

6. Going concern

The Executive Committee members believe that the Forum has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Executive Committee members have satisfied themselves that the Forum is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Executive Committee members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Forum.

7. Secretary General

The Forum's Secretary General is Ms. Boemo Sekgoma.

Business address: Parliament Gardens
Erf 578
Love Street
Windhoek

8. Auditors

BDO Namibia were appointed as the Forum's auditor for the financial year ended 31 March 2021.

9. Member countries

Angola

Botswana

DRC

Tanzania

Eswatini

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Executive Committee's Report

Malawi

Mauritius

Mozambique

Lesotho

Namibia

Seychelles

South Africa

Tanzania

Zambia

Zimbabwe

Madagascar

Independent Auditor's Report

To the Executive Committee of SADC Parliamentary Forum

Opinion

We have audited the annual financial statements of SADC Parliamentary Forum (the company) set out on pages 10 to 34, which comprise the statement of financial position as at 31 March 2021, statement of profit or loss and other 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 SADC Parliamentary Forum as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the SADC PF Constitution.

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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Executive Committee is responsible for the other information. The other information comprises the Executive Committee's Report and Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the Directors for the Annual Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Constitution of the Forum, and for such internal control as the Executive Committee 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 Executive Committee is responsible for assessing the Forum'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 Executive Committee either intend to liquidate the Forum 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 directors 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.

BDO Namibia
Registered Accountants and Auditors
Chartered Accountant (Namibia)
Andrew Musarurwa
Partner

30 June 2021
Windhoek

SADC Parliamentary Forum

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Statement of Financial Position as at 31 March 2021

Figures in Namibia Dollar	2021	2020
Assets		
Non-Current Assets		
Property, plant and equipment	8,288,373	4,011,491
Current Assets		
Trade and other receivables	8,323,289	3,187,472
Cash and cash equivalents	25,088,429	18,377,280
	33,411,718	21,564,752
Non-current assets held for sale	2,800,000	-
Total Assets	44,500,091	25,576,243
Equity and Liabilities		
Equity		
Retained income	7,824,498	717,957
Liabilities		
Non-Current Liabilities		
Borrowings- Long term portion	5,687,510	-
Grant Contribution to Capital - Applied	-	4,085,994
	5,687,510	4,085,994
Current Liabilities		
Trade and other payables	5,766,671	9,982,045
Restricted Funds	21,977,628	10,700,812
Borrowings- Long term portion	443,784	-
Grant Contribution to Capital - Applied	2,800,000	89,435
	30,988,083	20,772,292
Total Liabilities	36,675,593	24,858,286
Total Equity and Liabilities	44,500,091	25,576,243

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Statement of Financial Performance

Figures in Namibia Dollar	2021	2020
Revenue	34,005,924	30,408,874
Operating income	415,471	541,379
Foreign exchange (losses) / gains	(52,846)	27,310
Operating expenses	(27,158,326)	(31,108,433)
Surplus/(Deficit)	7,210,223	(130,870)
Investment income	9,807	16,814
Finance costs	(113,485)	(5,457)
Total comprehensive surplus (deficit) for the year	7,106,545	(119,513)

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Statement of Changes in Equity

Figures in Namibia Dollar	Retained income	Total equity
Balance at 1 April 2019	837,470	837,470
Total comprehensive deficit for the year	(119,513)	(119,513)
Balance at 1 April 2020	717,953	717,953
Total comprehensive surplus for the year	7,106,545	7,106,545
Balance at 31 March 2021	7,824,498	7,824,498

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Statement of Cash Flows

Figures in Namibia Dollar	2021	2020
Cash flows from operating activities		
Cash generated from operations	8,972,558	16,888,119
Interest income	9,807	16,814
Net cash from operating activities	8,982,365	16,904,933
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,236,178)	(25,894)
Net cash from investing activities	(8,236,178)	(25,894)
Cash flows from financing activities		
Proceeds from borrowings- current	-	(107,437)
Other non-cash item	6,131,294	-
Finance costs	(113,485)	(5,457)
Net cash from financing activities	6,017,809	(112,894)
Total cash movement for the year	6,763,996	16,766,145
Cash at the beginning of the year	18,377,279	1,583,825
Effect of exchange rate movement on cash balances	(52,846)	27,310
Total cash at end of the year	25,088,429	18,377,280

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Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the SADC PF Constitution.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the Forum's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Forum uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Forum's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Impairment of non-financial assets

The Forum assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Impairment testing

The Forum reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

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Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 10.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

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 Forum, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	4 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	4 years
IT equipment	Straight line	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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Accounting Policies

1.3 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the Forum are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Forum, as applicable, are as follows:

Financial assets which are debt instruments:

- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 21 Financial instruments and risk management presents the financial instruments held by the Forum based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Forum are presented below:

Restricted Funds

Recognition and Measurement

These funds are received from donors for agreed projects. The funds are initially recorded as liabilities and are released in profit or loss as the projects are implemented.

Restricted funds are classified as financial liabilities measured at amortised cost.

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Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 4).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Forum's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Forum becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Forum recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Forum measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Forum becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the Forum to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

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Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.4 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise of 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.

1.5 Tax

Taxation

No provision has been made for current and deferred taxation as the entity is a non-profit organisation and is exempt from Income tax.

1.6 Non-current assets (disposal groups) held for sale or distribution to owners

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

1.7 Impairment of non-financial assets

The Forum 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 Forum estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Forum also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

SADC Parliamentary Forum

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Accounting Policies

1.7 Impairment of non-financial assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.9 Provisions and contingencies

Provisions are recognised when:

- the Forum 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.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

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Accounting Policies

1.10 Grant Income

Grant Income comprises of contributions received from member states, as approved by the Plenary Assembly of the Forum. These contributions are accounted for on an accrual basis.

Grant income also includes donations received from various donor agencies. Grants received from donors, which are expected to be receivable, are recognised only when there is reasonable assurance that the Forum will comply with the conditions attached to them and that the grant will be received. These grants are initially recorded on the statement of financial position as restricted funds and released to income over the periods necessary to match them with costs which are intended to compensate, on a systematic basis.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

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Accounting Policies

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Forum receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Forum initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Forum determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

SADC Parliamentary Forum

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Forum has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020	The impact of the amendment is not material.
<ul style="list-style-type: none">Presentation of Financial Statements: Disclosure initiative	1 January 2020	The impact of the amendment is not material.
<ul style="list-style-type: none">Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	1 January 2020	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The Forum has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Forum's accounting periods beginning on or after 1 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	Unlikely there will be a material impact
<ul style="list-style-type: none">Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	Unlikely there will be a material impact
<ul style="list-style-type: none">Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	1 January 2021	Unlikely there will be a material impact
<ul style="list-style-type: none">Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	1 January 2021	Unlikely there will be a material impact

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3. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	2,800,000	-	2,800,000	-	-	-
Buildings	5,014,971	-	5,014,971	4,352,609	(452,609)	3,900,000
Furniture and fixtures	442,862	(117,684)	325,178	146,811	(95,798)	51,013
Motor vehicles	750,763	(750,763)	-	750,763	(750,762)	1
Office equipment	69,054	(54,794)	14,260	69,054	(48,066)	20,988
IT equipment	558,282	(424,318)	133,964	433,128	(393,639)	39,489
Total	9,635,932	(1,347,559)	8,288,373	5,752,365	(1,740,874)	4,011,491

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions-Cash	Additions-Non cash	Classified as held for sale	Depreciation	Impairment loss	Total
Land	-	-	2,800,000	-	-	-	2,800,000
Buildings	3,900,000	1,574,971	3,440,000	(2,800,000)	(87,183)	(1,012,817)	5,014,971
Furniture and fixtures	51,013	296,051	-	-	(21,886)	-	325,178
Motor vehicles	1	-	-	-	(1)	-	-
Office equipment	20,988	-	-	-	(6,728)	-	14,260
IT equipment	39,489	125,156	-	-	(30,681)	-	133,964
	4,011,491	1,996,178	6,240,000	(2,800,000)	(146,479)	(1,012,817)	8,288,373

SADC Parliamentary Forum

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Impairment loss	Total
Buildings	4,255,776	-	(87,053)	(268,723)	3,900,000
Furniture and fixtures	74,299	-	(23,286)	-	51,013
Motor vehicles	87,589	-	(87,588)	-	1
Office equipment	33,983	1,912	(14,907)	-	20,988
IT equipment	51,069	23,982	(35,562)	-	39,489
	4,502,716	25,894	(248,396)	(268,723)	4,011,491

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings :

Land and buildings	7,814,971	-
The loan is denominated in Namibian dollars (N\$), bears interest at 7,50% per annum, is secured over buildings of N\$ 5,014,971 and land of N\$ 2,800,000 and repayable in installments of 120 months.		

4. Trade and other receivables

Financial instruments:

Subscription debtors/ (i.e contributions due from member states)	6,956,168	1,429,855
Amounts claimable from other institutions	75,950	75,950
Restricted funds	2,026	-
Trade receivables at amortised cost	7,034,144	1,505,805
Deposits	19,566	19,566
Other receivables	10,130	42,992
Administration fees receivable (SRHR)	1	404,537
Employee Advance and unretired funds at year end	4,599	60,387

Non-financial instruments:

VAT	1,245,382	983,968
Prepayments	9,467	170,217
Total trade and other receivables	8,323,289	3,187,472

Due to the nature of these assets, the Forum's operations and historical experience , accounts receivable are regarded as having a low probability of default. ECL on accounts receivable is nil.

Financial instrument and non-financial instrument components of trade and other receivables

Financial instruments	7,068,440	2,033,287
Non-financial instruments	1,254,849	1,154,185
	8,323,289	3,187,472

SADC Parliamentary Forum

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4. Trade and other receivables (continued)

Fair value of trade and other receivables

Trade and other receivables	8,260,734	2,941,305
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Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2021, N\$ 1 429 854 (2020: N\$ 1 464 753) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

31 March 2021	3 months past due	Total
Trade receivables	1,429,854	1,429,854

31 March 2020	3 months past due	Total
Trade receivables	1,464,753	1,464,753

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	3,000
Bank balances	24,315,842	17,761,176
Short-term deposits	772,587	613,104
	25,088,429	18,377,280

Expected Credit Losses (ECL) on cash and cash equivalents is nil and these funds are kept within Namibia.

Restricted Funds

Included in the cash and cash equivalents is an amount of N\$ 21,793,468 (2020: N\$ 10,700,812) relating to bank accounts for the specific projects. The funds are held in designated bank accounts to be used only for the purpose of financing specific projects.

Restricted Funds are made up of the following:

Funds held in the main account: ARASA N\$6,846 , ACTIONAID N\$ 126,328 , Sisters for Change N\$ 122,556 , Climate & Knowledge N\$ 0.02, OSISA N\$ 181,301.51 and SAFAIDS N\$104,996 (2020: UN Women N\$30,409 , ARASA N\$6,846 , OSISA N\$ 181,302 & Sisters for Change N\$ 427,699)	542,028	646,256
SIDA - SRHR 62252084092	-	45,445
SIDA - SRHR 62263160097 (USD)	17,910,110	9,480,728
GIZ - Programme Account- 11000060277	3,333,250	315,082
SIDA Gender- 11500003334	166,383	174,495
Other Grants	25,857	38,806
	21,977,628	10,700,812

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6. Non-current assets held for sale

On 27 November 2020, the Executive Committee of SADC Parliamentary Forum decided to sell the house which was initially bought for the former Secretary General. There are several interested parties and the sale is expected to be completed before end of December 2021.

The impairment losses recognised in other comprehensive income in relation to non-current asset held for sale as at 31 March 2021 were N\$ 1,012,817.

Assets and liabilities

Non-current assets held for sale

assets and liabilities	2,800,000	-
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Name of valuer: Nico Kaoti

Company: Property Valuations Namibia

Date of valuation: 9 March 2020

Amount: N\$ 3,900,000

Updated valuation date: 17 May 2021

Amount: N\$ 2,800,000

7. Restricted Funds

Project funds are as follows:

SIDA Engendering Parliaments Programme	166,383	174,495
Other Grants	25,857	38,806
SIDA HIV/AIDS Programme	17,910,110	9,526,173
GIZ Project	3,333,250	315,082
OSISA 04 Natural Resources	181,302	181,302
ARASA	6,846	6,846
ACTIONAID	126,328	-
Sisters for Change	122,556	427,699
SAFAIDS	104,996	-
UN Women	-	30,409
	21,977,628	10,700,812

Restricted Funds represent grants received but not yet spend by the Forum. The restricted funds are released to Income over the period necessary to match them with costs which are intended to compensate, on a systematic basis. All the unspent restricted funds at the end of the grant implementation period are refunded to the grantors. Of restricted funds included in cash and cash equivalents N\$ - (2020: N\$ 663,022) is committed and is under trade and other payables.

8. Borrowings

Held at amortised cost

Nedbank Loan	6,131,294	-
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The loan is denominated in Namibian dollars (N\$), bears interest at 7,50% per annum, is secured over buildings of N\$ 7,814,971 and repayable in installments of 120 months.

Split between non-current and current portions

Non-current liabilities	5,687,510	-
Current liabilities	443,784	-
	6,131,294	-

The loan from Nedbank is secured over buildings with a carrying amounts of N\$ 7,814,971 (2020: N\$ -).

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9. Grant Contribution to Capital - Applied

Reconciliation of grant contribution to capital - applied - 2021

	Opening balance	Utilised during the year	Total
Grant Contribution to Capital- Applied	4,175,429	(1,375,429)	2,800,000

Reconciliation of grant contribution to capital - applied - 2020

	Opening balance	Utilised during the year	Total
Grant Contribution to Capital - Applied	4,292,871	(117,442)	4,175,429
Non-current liabilities		-	4,085,994
Current liabilities		2,800,000	89,435
		2,800,000	4,175,429

The Grant Contribution to Capital - Applied relates to once-off funds contributed by member parliaments to acquire a house for the Secretary General. The house was acquired during 2018 financial year. A portion equivalent to annual depreciation and impairment loss is recognised as revenue by reducing the Grant Contribution to Capital balance.

10. Trade and other payables

Financial instruments:

Trade payables	3,531	43,094
Other payables	11,024	11,998
Salary related accruals	396,037	1,030,643
Accrued expense SRHR	(184,160)	738,360
Gratuity, leave pay and repatriation cost provision	861,879	1,696,903
Advance payment for election mission*	-	-

Non-financial instruments:

Contribution received in advance	3,751,500	5,534,187
Advance payment for election mission*	72,957	72,957
Once-off contribution for SG House (Unspent)	853,903	853,903
	5,766,671	9,982,045

Fair value of trade and other payables

Trade and other payables are carried at cost which approximates the fair value due to the short-term of these balances.

*Included in the advance payment for election mission is N\$ 36,204.30 from Seychelles & N\$ 36,752.64 from Angola for Namibia elections 2019.

11. Revenue

Contribution from member states	22,523,478	18,798,052
Grants received	11,482,446	11,610,822
	34,005,924	30,408,874

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Figures in Namibia Dollar	2021	2020
12. Other operating income		
Administration and consultancy income	415,471	474,537
Other Income: Sundry income	-	66,842
	415,471	541,379
13. Other operating gains (losses)		
Fair value gains (losses)		
Net foreign exchange gains (losses)	(52,846)	27,310
14. Operating surplus/ (deficit)		
Operating surplus (deficit) for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	278,100	124,160
Remuneration, other than to employees		
Administrative and managerial services	729,341	419,711
Consulting and professional services	443,395	217,712
	1,172,736	637,423
Employee costs		
Salaries, wages, bonuses and other benefits	11,327,284	14,275,000
Depreciation and amortisation		
Depreciation of property, plant and equipment	146,477	248,396
Impairment losses		
Property, plant and equipment	1,012,817	268,723
Other		
Foreign exchange gains	(52,846)	27,310
Expenses by nature		
The total costs are analysed by nature as follows:		
Employee costs	11,327,284	14,275,000
Depreciation, amortisation and impairment	1,159,294	517,119
Other expenses	2,194,602	5,624,259
Grant expenses: SRHR and HIV/AIDS Governance Project	10,368,542	8,609,101
Programme Support	1,054,302	1,041,477
	-	-
	27,158,326	31,108,433
15. Employee costs		
Employee costs		
Salaries, wages, bonuses and other benefits	11,327,284	14,275,000

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Figures in Namibia Dollar	2021	2020
16. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	146,477	248,396
Impairment losses		
Property, plant and equipment	1,012,817	268,723
Total depreciation, amortisation and impairment		
Depreciation	146,477	248,396
Impairment losses	1,012,817	268,723
	1,159,294	517,119
17. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	9,807	16,814
18. Finance costs		
Borrowing Costs & Finance leases	113,485	5,457
19. Related parties		
Relationships		
Member states	Angola Botswana DRC Lesotho Malawi Mauritius Mozambique Namibia Seychelles South Africa Swaziland Tanzania Zambia Zimbabwe Madagascar	
Members of key management	Ms. Boemo Sekgoma Ms. Yapoka N Mungandi	
Related party balances		
Contributions due from member states at year-end		
Tanzania	2,931,355	1,429,855
Angola	1,501,500	-
Botswana	71,500	-
DRC	1,501,500	-
Lesotho	950,313	-
	6,956,168	1,429,855

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19. Related parties (continued)

Contributions received in advance from member states

Mauritius	-	1,501,500
Botswana	-	550,000
Mozambique	1,501,500	1,501,500
Lesotho	-	551,187
Malawi	748,500	-
South Africa	1,501,500	-
	3,751,500	4,104,187

Related party transactions

Mandatory contributions received from related parties

Angola	1,501,500	1,430,000
Botswana	1,501,500	1,430,000
DRC	1,501,500	1,430,000
Eswatini	1,501,500	1,430,000
Lesotho	1,501,500	1,430,000
Malawi	1,501,500	1,430,000
Mauritius	1,501,500	1,430,000
Madagascar	1,501,500	-
Mozambique	1,501,500	1,430,000
Namibia	1,501,500	1,430,000
Seychelles	127,050	121,000
South Africa	1,501,500	1,430,000
Tanzania	1,501,500	1,430,000
Zambia	1,501,500	1,430,000
Zimbabwe	1,501,500	1,430,000
	21,148,050	18,711,000

Once-off contributions received from member states during the year

Eswatini	-	220,000
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20. Directors' emoluments

Executive

2021

	Emoluments	Other Benefits*	Total
Remuneration	1,309,980	1,588,007	2,897,987

2020

	Emoluments	Other Benefits*	Total
Remuneration	1,389,206	1,797,571	3,186,777

21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

SADC Parliamentary Forum

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21. Financial instruments and risk management (continued)

2021

	Financial asset at fair value profit or (loss)	Total
Trade and other receivables	7,068,440	7,068,440
Cash and cash equivalents	25,091,429	25,091,429
	32,159,869	32,159,869

2020

	Financial assets at fair value through profit or (loss)	Total
Trade and other receivables	2,033,287	2,033,287
Cash and cash equivalents	18,377,281	18,377,281
	20,410,568	20,410,568

Categories of financial liabilities

2021

	Financial liabilities at amortised cost	Total
Trade and other payables	1,088,311	1,088,311
Borrowings	6,131,294	6,131,294
Restricted Funds	21,793,468	21,793,468
	29,013,073	29,013,073

2020

	Financial liabilities at amortised cost	Total
Trade and other payables	3,520,998	3,520,998
Restricted Funds	10,700,812	10,700,812
	14,221,810	14,221,810

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21. Financial instruments and risk management (continued)

Financial risk management

Overview

The Forum's activities expose it to a variety of financial risks :market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk, credit risk and liquidity risk.

The Forum's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Forum's financial performance. Risk management is carried out by the Executive Committee under policies approved by the Forum. Forum Executive Committee identifies, evaluates financial risks in close co-operation with the Secretary General. The Executive Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Forum treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

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

The Forum's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Forum to fair value interest rate risk. During 2021 and 2020, the Forum's borrowings at variable rate were denominated in the Namibian Dollar.

Cash flow interest rate risk

Financial instrument

	Current Interest rate	Due in less than a year
Trade and other receivables- normal credit terms	-	7,015,352
Trade and other payables- extended credit terms	-	(2,198,769)
Cash in current banking institutions	0.10%	25,091,429
Borrowings	-	(6,131,294)
Restricted Funds	-	(21,793,468)
	-	1,983,250

2020

Financial instrument

	Current Interest rate	Due in less than a year
Trade and other receivables- normal credit terms	-	2,194,314
Trade and other payables- extended credit terms	-	(4,447,861)
Cash in current banking institutions	0.10%	18,377,281
Restricted Funds	-	(10,700,812)
	-	5,422,922

SADC Parliamentary Forum

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Notes to the Annual Financial Statements

Figures in Namibia Dollar

2021

2020

21. Financial instruments and risk management (continued)

Credit risk

Credit risk consist mainly of cash deposits, cash equivalents and trade debtors. The Forum only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise of amounts receivable from SADC member states. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses, the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020
Cash and cash equivalents	25,091,429	18,377,281
Trade and other receivables	7,015,352	2,194,314
	32,106,781	20,571,595

Foreign exchange risk

The Forum does not hedge foreign exchange fluctuations. And

The Forum reviews its foreign currency exposure, including commitments on an ongoing basis. The Forum expects its foreign exchange contracts to hedge foreign exchange exposure.

22. 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.

The Executive Committee members believe that the Forum has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Executive Committee members have satisfied themselves that the Forum is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Executive Committee members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Forum.

23. Events after the reporting period

The Executive Committee is not aware of any other material event which occurred after the reporting date and up to the date of this report.

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Notes to the Annual Financial Statements

Figures in Namibia Dollar	2021	2020
24. Cash generated from operations		
(Deficit) surplus before taxation	7,106,545	(119,513)
Adjustments for:		
Depreciation and amortisation	146,477	248,396
Losses (gains) on foreign exchange	52,846	(27,310)
Interest income	(9,807)	(16,814)
Finance costs	113,485	5,457
Net impairments and movements in credit loss allowances	1,012,817	268,723
Movements in provisions	(1,375,429)	(117,442)
Changes in working capital:		
Trade and other receivables	(5,135,817)	3,411,719
Trade and other payables	(4,215,375)	5,361,601
Net change in restricted funds	11,276,816	7,873,302
	8,972,558	16,888,119
25. Other non-cash item		
Movement in borrowings	6,131,294	-

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Annual Financial Statements for the year ended 31 March 2021

Detailed Statement of Financial Performance

Figures in Namibia Dollar		2021	2020
Revenue			
Revenue		22,523,478	18,798,052
Grant income		11,482,446	11,610,822
	11	34,005,924	30,408,874
Operating income			
Administration and consultancy income		415,471	474,537
Other income: Sundry income		-	66,842
	12	415,471	541,379
Operating gains (losses)			
Foreign exchange (losses) gains		(52,846)	27,310
Operating expenses			
Administration and management fees		(729,341)	(419,711)
Auditors remuneration - external auditors	14	(278,100)	(124,160)
Bank charges		(73,390)	(42,950)
Communication expenses		(305,609)	(291,727)
Consulting and professional fees		(443,395)	(67,712)
Contractual Cost		-	(13,335)
Depreciation		(146,477)	(248,396)
Employee costs		(11,327,284)	(14,275,000)
Executive Committee Meetings		(198,357)	(724,922)
Grant Expenses: Model Law on Elections		(83,920)	(670,561)
Grant Expenses: Others		(246,714)	-
Grant expenses: Joint Standing Committee		-	(959,797)
Grant expenses: SRHR and HIV/AIDS Governance Project		(10,368,542)	(8,609,101)
Impairment loss (SG House)		(1,012,817)	(268,723)
Insurance		(74,172)	(120,866)
Motor vehicle expenses		(40,876)	(36,247)
Other Policy Organ Costs		(240,436)	-
Parliamentary Business Committee Meetings		(19,494)	-
Plenary Assembly Meetings		(532,574)	(2,759,131)
Professional fees		-	(150,000)
Programme Support		(1,054,302)	(1,041,477)
Travel, Subsistence an Transport		17,474	(284,617)
		(27,158,326)	(31,108,433)
Operating surplus (deficit)	14	7,210,223	(130,870)
Investment income	17	9,807	16,814
Finance costs	18	(113,485)	(5,457)
Total comprehensive surplus (deficit) for the year		7,106,545	(119,513)