

SADC Parliamentary Forum  
Annual Financial Statements  
for the year ended 31 March 2023

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## General Information

---

<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	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.
<b>Executive Committee Members</b>	Hon. Speaker Roger Mancienne (President) Hon. M. Joanne Sabrina Tour (Vice President) Hon. Mduduzi M. Matsebula (Treasurer) Hon. Pedro Sebastiao Hon. Phandu Tombola Chaha Skelemanani Hon. Nadine Mangabu Luabeya Rt. Hon. Speaker Tlohang Sekhamane Hon. Speaker Christine Harijaona Razanamahasoa Hon. Rachel Zulu Hon. Speaker Esperanca Laurinda Francisco Nhiumane Bias Hon. Phillipus Wido Katamelo Hon. Speaker Nosiviwe Mapisa-Nqakula Hon. Speaker Dr Tulia Ackson Hon. Princess Kasune Hon. Speaker Adv. Jacob Francis Nzwidamilimo Hon. Speaker Prof. Peter Hitjitevi Katjavivi (Host Speaker) Hon. Regina Esparon (RWPC Chairperson)
<b>Registered office</b>	Parliament Gardens Erf 578 Love Street Windhoek
<b>Business address</b>	Parliament Gardens Erf 578 Love Street Windhoek
<b>Auditors</b>	BDO Namibia Chartered Accountant (Namibia) Registered Accountants and Auditors
<b>Bankers</b>	First National Bank of Namibia Limited Nedbank Namibia Limited
<b>Secretary General</b>	Ms. Boemo Sekgoma

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Contents

---

	<b>Page</b>
Executive Committee's Responsibilities and Approval	3
Executive Committee's Report	4 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Position	10
Statement of Financial Performance	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 22
Notes to the Annual Financial Statements	23 - 39
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Financial Performance	40

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## 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'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 2024 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 40, 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 Roger Mancienne (SADC PF President)

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## 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 2023.

### 1. Nature of business

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.

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 March 31, 2023 the Forum's investment in property, plant and equipment amounted to N\$ 9,508,062 (2022:N\$ 9,562,386), of which N\$ 293,582 (2022: N\$ 1,423,558 was added in the current year through additions.

### 4. Events after the reporting period

The Executive Committee is not aware of any 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:

Members	Office	Designation	Nationality
Hon. Speaker Roger Mancienne	President	Non-executive	Seychelles
Hon. M. Joanne Sabrina Tour	Vice President	Non-executive	Mauritius
Hon. Mduduzi M. Matsebula	Other	Non-executive	Kingdom of Eswatini
Hon. Pedro Sebastião	MP	Non-executive	Angola
Hon. Speaker Phandu Tombola Chaha Skelemani	MP	Non-executive	Botswana
Hon. Nadine Mangabu Luabeya	MP	Non-executive	DRC
Rt. Hon. Speaker Tlohang Sekhamane	MP	Non-executive	Lesotho
Hon. Speaker Christine Harijaona Razanamahaso	MP	Non-executive	Madagascar
Hon. Speaker Esperança Laurinda Francisco Nhiuane Bias	MP	Non-executive	Mozambique
Hon. Rachel Zulu	MP	Non-executive	Malawi
Hon. Speaker Prof. Peter H. Katjavivi	MP	Non-executive	Namibia
Hon. Phillipus Wido Katamel	MP	Non-executive	Namibia

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Executive Committee's Report

---

Hon. Selemani Zedi	MP	Non-executive	Tanzania
Hon. Speaker Nosiviwe Mapisa-Nqakula	MP	Non-executive	South Africa
Hon. Speaker Caroline Cerqueira	Institutional Memory Member	Non-executive	Angola
Hon. Darren Bergman	Institutional Memory Member	Non-executive	South Africa
Hon. Selemani Jumanne Zedi	Institutional Memory Member	Non-executive	Tanzania
Hon. Speaker Nelly B K Mutti	Institutional Memory Member	Non-executive	Zambia
Hon. Dought Ndiweni	Institutional Memory Member	Non-executive	Zimbabwe
Hon. Speaker Dr Tulia Ackson	MP	Non-executive	Tanzania
Hon. Princess Kasune	MP	Non-executive	Zambia
Hon. Speaker Adv. Jacob Francis Nzwidamilimo	MP	Non-executive	Zimbabwe
Hon. Regina Esparon	MP	Non-executive	RWPC

### 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 2023.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Executive Committee's Report

---

### 9. Member countries

Angola

Botswana

DRC

Tanzania

Eswatini

Madagascar

Malawi

Mauritius

Mozambique

Lesotho

Namibia

Seychelles

South Africa

Tanzania

Zambia

Zimbabwe

# 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 39, which comprise the statement of financial position as at 31 March 2023, 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 2023, 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 Code of Ethics for Professional Accountants (Parts A and B) (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.

## 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.

# Independent Auditor's Report

---

---

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

31 May 2024  
Windhoek

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Position as at 31 March 2023

Figures in Namibia Dollar	Note(s)	2023	2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	9,508,062	9,562,385
<b>Current Assets</b>			
Trade and other receivables*	4	8,800,565	4,347,212
Cash and cash equivalents +	5	14,631,823	31,910,522
		<b>23,432,388</b>	<b>36,257,734</b>
Non-current assets held for sale	6	2,470,000	2,470,000
<b>Total Assets</b>		<b>35,410,450</b>	<b>48,290,119</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		13,273,084	11,188,607
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings - Long term portion	7	5,225,436	5,970,222
<b>Current Liabilities</b>			
Trade and other payables #	8	6,751,434	5,961,597
Borrowings - Long term portion	7	740,890	678,556
Restricted Funds @	9	6,949,606	22,021,137
Grant Contribution to capital - Applied	10	2,470,000	2,470,000
		<b>16,911,930</b>	<b>31,131,290</b>
<b>Total Liabilities</b>		<b>22,137,366</b>	<b>37,101,512</b>
<b>Total Equity and Liabilities</b>		<b>35,410,450</b>	<b>48,290,119</b>

\* The amount includes SRHR project balance of N\$1,132,373 (2022: N\$58,713).

+ The amount includes SRHR project balance of N\$5,121,698 (2022: N\$18,423,976).

# The amount includes SRHR project balance of N\$194,921 (2022: N\$378,676).

@ The amount includes SRHR project balance of N\$6,059,142 (2022: N\$18,104,013)

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Performance

Figures in Namibia Dollar	Note(s)	2023	2022
Revenue**	11	51,096,469	38,553,123
Other income	12	380,101	668,882
Operating (losses) / gains	13	(16,334)	171,751
Operating expenses++		(49,197,405)	(35,747,142)
<b>Surplus</b>	14	<b>2,262,831</b>	<b>3,646,614</b>
Investment income	15	379,968	162,477
Finance costs	16	(558,320)	(444,982)
<b>Total comprehensive surplus for the year</b>		<b>2,084,479</b>	<b>3,364,109</b>

\*\* The amount includes SRHR project grant income of N\$23,759,161 (2022: N\$15,725,627).

++ The amount includes SRHR project grant expenses of N\$23,759,161 (2022: N\$15,725,627)

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Statement of Changes in Equity

Figures in Namibia Dollar	Retained income	Total equity
Balance at 1 April 2021	7,824,498	7,824,498
Total comprehensive surplus for the year	3,364,109	3,364,109
Balance at 1 April 2022	11,188,605	11,188,605
Total comprehensive surplus for the year	2,084,479	2,084,479
Balance at 31 March 2023	13,273,084	13,273,084

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	24	(16,139,230)	7,838,921
Interest income		379,968	162,477
<b>Net cash from operating activities</b>		<b>16,317,582)</b>	<b>7,556,416</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	3	(293,582)	(1,423,558)
Proceeds from sale of property, plant and equipment	3	14,918	581,162
<b>Net cash used from investing activities</b>		<b>(278,664)</b>	<b>(842,396)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(1,240,804)	-
Advances of borrowings		-	72,502
<b>Net cash from financing activities</b>		<b>(682,452)</b>	<b>517,484</b>
<b>Total cash movement for the year</b>		<b>17,278,698)</b>	<b>7,231,504</b>
Cash at the beginning of the year		31,910,522	25,088,428
Effect of exchange rate movement on cash balances		-	(409,411)
<b>Total cash at end of the year</b>	5	<b>14,631,824</b>	<b>31,910,521</b>

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## 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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### Useful lives and residual values 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.

#### Fair value of property, plant and equipment

The fair value of property, plant and equipment is derived from current market prices of comparable property, plant and equipments. The fair value is based on a valuation made by an independent valuator who holds a recognised and relevant valuation licence and has recent experience in valuing properties in the same location as the entity's property, plant and equipments. The fair value of land and building is disclosed in note 6.

### 1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Forum 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 and or, fair value through other comprehensive income. 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.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

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.



# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### 1.3 Property, plant and equipment (continued)

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.

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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### 1.4 Financial instruments (continued)

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.

#### 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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### 1.4 Financial instruments (continued)

#### 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.

#### Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 4.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses++ in profit or loss as a movement in credit loss allowance (note 14).

#### Trade and other payables

##### Classification

Trade and other payables (note 8), 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 16).

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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## 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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### 1.7 Impairment of non-financial assets (continued)

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.

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;

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### 1.9 Provisions and contingencies (continued)

- 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.

### 1.10 Revenue

Revenue comprises of grant income and contributions from member states which are 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 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 are recognised as an expense in the period in which they are incurred.

### 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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### 1.12 Translation of foreign currencies (continued)

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

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022

### 2. New Standards and Interpretations

#### 2.1 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 2023 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Disclosure of Accounting Policies (Amendments to IAS 1)	January 1, 2023	Unlikely there will be a material impact
• Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendments to IAS 1		
• Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024	Unlikely there will be a material impact
• Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	Unlikely there will be a material impact
• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	1 January 2023	Unlikely there will be a material impact



# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022

### 3. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	2,800,000	-	2,800,000	2,800,000	-	2,800,000
Buildings	5,014,443	(82,865)	4,931,578	5,014,971	(81,013)	4,933,958
Furniture and fixtures	677,985	(180,406)	497,579	442,862	(137,767)	305,095
Motor vehicles	1,277,578	(281,238)	996,340	1,298,021	(21,633)	1,276,388
Office equipment	134,919	(61,797)	73,122	79,354	(63,108)	16,246
IT equipment	381,632	(172,189)	209,443	673,519	(442,821)	230,698
<b>Total</b>	<b>10,286,557</b>	<b>(778,495)</b>	<b>9,508,062</b>	<b>10,308,727</b>	<b>(746,342)</b>	<b>9,562,385</b>

### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions- Cash	Disposals	Depreciation	Total
Land	2,800,000	-	-	-	2,800,000
Buildings	4,933,958	-	-	(2,380)	4,931,578
Furniture and fixtures	305,095	235,124	-	(42,640)	497,579
Motor vehicles	1,276,388	-	(20,444)	(259,604)	996,340
Office equipment	16,246	58,458	-	(1,582)	73,122
IT equipment	230,698	-	(10,808)	(10,447)	209,443
	<b>9,562,385</b>	<b>293,582</b>	<b>(31,252)</b>	<b>(316,653)</b>	<b>9,508,062</b>

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

### 3. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Land	2,800,000	-	-	2,800,000
Buildings	5,014,971	-	(81,013)	4,933,958
Furniture and fixtures	325,178	-	(20,083)	305,095
Motor vehicles	-	1,298,021	(21,633)	1,276,388
Office equipment	14,260	10,300	(8,314)	16,246
IT equipment	133,964	115,237	(18,503)	230,698
	<b>8,288,373</b>	<b>1,423,558</b>	<b>(149,546)</b>	<b>9,562,385</b>

#### Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings (note 7):

Land and buildings	7,721,578	7,733,959
The loan is denominated in Namibian dollars (N\$), bears interest at 7,50% (2022: 7.50%) per annum with a monthly installments of N\$ 79,044.80, is secured over buildings of N\$ 4,931,578 and land of N\$ 2,800,000 and repayable in installments of 99 months.		
Motor Vehicle	996,340	1,276,388
The loan is denominated in Namibian dollars (N\$), bears interest at 9,50% (2022: 9.50%) per annum with a monthly installment of N\$ 25,173.75, is secured and repayable in 60 months.		

### 4. Trade and other receivables

#### Financial instruments:

Subscription debtors/ (i.e contributions due from member states)	6,006,905	3,003,380
Restricted funds	-	2,026
Trade receivables at amortised cost	6,006,905	3,005,406
Deposits	19,853	19,566
Amounts claimable from other institutions	102,811	102,811
Other receivables	1,105,750	10,133
<b>Non-financial instruments:</b>		
Value Added Tax	911,701	935,969
Employee Advances	(9,374)	(4,432)
Prepayments	660,893	277,759
<b>Total trade and other receivables</b>	<b>8,798,539</b>	<b>4,347,212</b>

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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

---

Figures in Namibia Dollar	2023	2022
---------------------------	------	------

---

### 4. Trade and other receivables (continued)

#### Fair value of trade and other receivables

Trade and other receivables	8,800,565	4,347,212
-----------------------------	-----------	-----------

---

#### 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 2023, N\$6,006,905 (2022: N\$3,003,380) were past due but not impaired.

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

31 March 2023	3 months past due	Total
Trade receivables	6,006,905	6,006,905

---

31 March 2022	3 months past due	Total
Trade receivables	3,003,380	3,003,380

---

#### Restricted funds

Included in the trade and other receivables is VAT balance of N\$ 855,243 (2022: N\$ 58,713) relating to account balances for the specific projects. The balances, when recovered, funds are held in designated bank accounts to be used only for the purpose of financing specific projects.

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	13,832,305	31,131,134
Short-term deposits	799,518	779,388
	<b>14,631,823</b>	<b>31,910,522</b>

---

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\$ 6,427,585 (2022: N\$ 22,340,457) 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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
<b>5. Cash and cash equivalents (continued)</b>		
<b>Restricted Funds are made up of the following:</b>		
ACTIONAID*	229,599	645,800
ARASA*	6,846	6,846
SIDA - SRHR 62263160097 (USD)	5,163,604	18,423,975
GIZ - Programme Account- 11000060277	37,728	2,631,202
SIDA Gender- 11500003334	166,383	166,383
Other Grants	25,857	25,857
SAFAIDS*	267,222	21,878
OSISA*	181,302	181,302
Sisters for Change*	122,556	122,556
Plan International*	296,924	114,658
SIDA HIV/AIDS Prgm 2024	(89,691)	-
GIZ Project 1	19,255	-
	<b>6,427,585</b>	<b>22,340,457</b>

\*These funds are held in the Forum's main bank account.

### Exposure to currency risk

#### Namibia Dollar amount

Namibia Dollar	14,631,823	31,910,522
----------------	------------	------------

### 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 in the first half of 2024 financial period.

#### Impairment losses

An impairment loss of N\$ 0 (2022: N\$ 330,000) on the measurement of the disposal group to fair value less cost to sell has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### Assets and liabilities

##### Non-current assets held for sale

Land and Buildings	2,470,000	2,470,000
--------------------	-----------	-----------

Name of valuer: Eugene Lofty  
Company: Eaton Property Valuation  
Date of valuation: 26 June 2023  
Amount: N\$ 2,540,00

Eugene is not connected to SADC PF and has recent experience in the location and category of the property being revalued.

The valuation was based on income capitalisation method in combination with the comparable sales method.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
<b>7. Borrowings</b>		
<b>Held at amortised cost</b>		
Nedbank Namibia Limited Loan	5,442,462	5,686,786
The loan is denominated in Namibian dollars (N\$), bears interest at 7.50% (2022: 7,50%) per annum, is secured over land and buildings of N\$ 7,733,959 and repayable in monthly installments of N\$ 79,044.81 of 99 months (2022: 118)		
First National Bank Loan	523,864	961,992
The loan is denominated in Namibian dollars (N\$), bears interest at 12.50% (2022:9,50%) per annum, is secured over motor vehicles with a value of N\$ 1,276,388 and repayable in montly installments of N\$ 25,173.75 of 48 months (2022:60).		
	<b>5,966,326</b>	<b>6,648,778</b>
<b>Split between non-current and current portions</b>		
Non-current liabilities	5,225,436	5,970,222
Current liabilities	740,890	678,556
	<b>5,966,326</b>	<b>6,648,778</b>

### Exposure to liquidity risk

Refer to note 21 Financial instruments and financial risk management for details of liquidity risk exposure and management.

## 8. Trade and other payables

### Financial instruments:

Trade payables	270,990	(8,243)
Salary related accruals	105,463	10,604
Accrued expense SRHR	194,921	378,676
Gratuity, leave pay and repatriation cost provision	2,068,597	1,707,690

### Non-financial instruments:

Other payables	11,025	11,025
Member contributions received in advance	3,003,000	3,003,000
Once-off contribution for SG House (Unspent)	785,888	785,888
Advance payment for election mission	311,550	72,957
	<b>6,751,434</b>	<b>5,961,597</b>

### Exposure to liquidity risk

Refer to note 21 Financial instruments and financial risk management for details of liquidity risk exposure and management.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
<b>8. Trade and other payables (continued)</b>		
<b>Exposure to interest rate risk</b>		
<b>Fair value of trade and other payables</b>		
Trade payables	270,991	(8,245)
Other payables	6,480,444	5,969,841
	<b>6,751,435</b>	<b>5,961,596</b>

### Restricted funds

Included in the trade and other payables is balance of N\$ 754,304 (2022: N\$ 378,676) relating to account balances for the specific projects. The balances are used only for the purpose of specific projects.

### 9. Restricted Funds

SIDA Engendering Parliaments Programme	174,448	281,041
Other Grants	49,037	25,857
GIZ Project	282,935	2,631,202
OSISA 04 Natural Resources	181,302	181,302
ARASA	6,846	6,846
ACTIONAID	94,946	645,801
Sisters for Change	122,556	122,556
SAFAIDS	267,222	21,878
SIDA HIV/AIDS	5,976,720	18,104,655
SADC - SRHR HIV/AIDS	(391,072)	-
	<b>6,764,940</b>	<b>22,021,138</b>

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 unspend restricted funds at the end of the grant implementation period are refunded to the grantors.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar 2023 2022

### 10. Grant Contribution to capital - Applied

#### Reconciliation of grant contribution to capital - applied - 2023

	Opening balance	Total
Grant Contribution to Capital - Applied	2,470,000	2,470,000

#### Reconciliation of grant contribution to capital - applied - 2022

	Opening balance	Utilised during the year	Total
Grant Contribution to Capital - Applied	2,800,000	(330,000)	2,470,000

The Grant Contribution to Capital - Applied relates to once-off funds contributed by member of 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.

### 11. Revenue

Contribution from member states	21,148,050	21,148,050
Grant received: Other donors	3,232,717	1,679,446
Grant received: SIDA SRHR	23,759,161	15,725,627
Grant salary: SRHR	2,956,541	-
	<b>51,096,469</b>	<b>38,553,123</b>

Disaggregation of revenue is from services transferred to customers at a point in time.

### 12. Other income

Administration and consultancy income	380,101	668,882
---------------------------------------	---------	---------

### 13. Other operating gains / (losses)

#### Gains /(losses) on disposals, scrappings and settlements

Property, plant and equipment	3	(16,334)	581,162
-------------------------------	---	----------	---------

#### Fair value (losses)

Net Foreign exchange losses		-	(409,411)
-----------------------------	--	---	-----------

<b>Total other operating gains / (losses)</b>		<b>(16,334)</b>	<b>171,751</b>
---	--	-----------------	----------------

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
<b>14. Operating surplus/ (deficit)</b>		
Surplus for the year is stated after charging (crediting) the following, amongst others:		
<b>Auditor's remuneration - external</b>		
Audit fees	176,132	139,755
<b>Remuneration, other than to employees</b>		
Administrative and managerial services	822,808	718,385
Consulting and professional services	426,394	390,751
	<b>1,249,202</b>	<b>1,109,136</b>
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits	12,362,691	13,044,179
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	316,124	149,545
<b>Impairment losses</b>		
Non-current asset held for sale	-	330,000
<b>Other</b>		
Foreign exchange losses	-	(409,411)
<b>Expenses by nature</b>		
The total costs are analysed by nature as follows:		
Employee costs	12,362,691	13,044,179
Grant expenses: Other donors	3,489,565	641,441
Depreciation and impairment	316,124	149,545
Other expenses	2,469,230	2,800,361
Grant expenses: SRHR and HIV/AIDS Governance Project	23,759,161	16,033,765
Plenary Assembly Meetings	3,973,987	1,641,081
Administration and management fees	822,808	718,385
Angola elections	1,181,031	-
	<b>49,197,405</b>	<b>35,747,142</b>
<b>15. Investment income</b>		
<b>Interest income</b>		
<b>Investments in financial assets:</b>		
Bank Interest received	379,968	162,477
<b>16. Finance costs</b>		
Borrowing costs & finance leases	558,320	444,982



# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
<b>17. Employee costs</b>		
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits	12,362,691	13,044,179
<b>18. Depreciation and impairment losses</b>		
<b>Depreciation</b>		
Property, plant and equipment	316,124	149,545
<b>Impairment losses</b>		
Non-current asset held for sale	-	330,000
<b>Total depreciation, amortisation and impairment</b>		
Depreciation	316,124	149,545
Impairment losses	-	330,000
	<b>316,124</b>	<b>479,545</b>
<b>19. Related parties</b>		
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	

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
<b>19. Related parties (continued)</b>		
<b>Related party balances</b>		
<b>Contributions due from member states at year-end</b>		
Tanzania	1,502,405	1,501,880
Malawi	1,501,500	-
DRC	1,501,500	-
Madagascar	1,501,500	1,501,500
	<b>6,006,905</b>	<b>3,003,380</b>
<b>Contributions received in advance from member states</b>		
Namibia	1,501,500	1,501,500
Zambia	1,501,500	1,501,500
	<b>3,003,000</b>	<b>3,003,000</b>
<b>Related party transactions</b>		
<b>Mandatory contributions received from related parties</b>		
Angola	1,501,500	1,501,500
Botswana	1,501,500	1,501,500
DRC	1,501,500	1,501,500
Eswatini	1,501,500	1,501,500
Lesotho	1,501,500	1,501,500
Malawi	1,501,500	1,501,500
Mauritius	1,501,500	1,501,500
Madagascar	1,501,500	1,501,500
Mozambique	1,501,500	1,501,500
Namibia	1,501,500	1,501,500
Seychelles	127,050	127,050
South Africa	1,501,500	1,501,500
Tanzania	1,501,500	1,501,500
Zambia	1,501,500	1,501,500
Zimbabwe	1,501,500	1,501,500
	<b>21,148,050</b>	<b>21,148,050</b>

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

---

Figures in Namibia Dollar 2023      2022

---

### 20. Compensation to members of key management

#### Executive

#### 2023

Key members' emoluments	Basic salary	Allowances	Other benefits	Total
<b>Services as members of key management</b>				
Remuneration	2,008,373	999,186	502,095	3,509,654

---

#### 2022

Key members' emoluments	Basic salary	Allowances	Termination benefits	Other benefits	Total
<b>Services as members of key management</b>					
Remuneration	2,085,709	747,404	246,035	98,832	3,177,980

---

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022

### 21. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

##### 2023

	Note(s)	Amortised cost	Total
Trade and other receivables	4	7,235,319	7,235,319
Cash and cash equivalents	5	14,583,317	14,583,317
		<b>21,818,636</b>	<b>21,818,636</b>

##### 2022

	Note(s)	Amortised cost	Total
Trade and other receivables	4	3,401,110	3,401,110
Cash and cash equivalents	5	31,910,552	31,910,552
		<b>35,311,662</b>	<b>35,311,662</b>

#### Categories of financial liabilities

##### 2023

	Note(s)	Amortised cost	Total
Trade and other payables	8	2,445,049	2,445,049
Restricted funds	9	841,958	841,958
Borrowings	7	5,966,326	5,966,326
		<b>9,253,333</b>	<b>9,253,333</b>

##### 2022

	Note(s)	Amortised cost	Total
Trade and other payables	8	2,162,101	2,162,101
Restricted funds		21,977,628	21,977,628
Borrowings	7	6,131,294	6,131,294
		<b>30,271,023</b>	<b>30,271,023</b>

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022

### 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 is exposed to interest rate risk through its variable rate cash balances, as well as its interest-bearing liabilities. Its 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 2023 and 2022, the Forum's borrowings at variable rate were denominated in the Namibian Dollar.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar		2023	2022			
<b>21. Financial instruments and risk management (continued)</b>						
<b>2023</b>						
		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Carrying amount
<b>Non-current liabilities</b>						
Borrowings	7	-	2,360,907	3,848,641	667,205	5,225,436
<b>Current liabilities</b>						
Trade and other payables		2,445,049	-	-	-	6,740,411
Borrowings	7	740,890	-	-	-	740,890
Restricted Funds	9	841,958	-	-	-	841,958
		<b>(4,027,897)</b>	<b>(2,360,907)</b>	<b>(3,848,641)</b>	<b>(667,205)</b>	<b>(13,548,695)</b>
<b>2022</b>						
		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Carrying amount
<b>Non-current liabilities</b>						
Borrowings	7	-	2,360,842	2,958,728	2,446,023	5,970,222
<b>Current liabilities</b>						
Trade and other payables	8	2,162,101	-	-	-	5,950,573
Borrowings	7	888,839	-	-	-	678,556
Restricted funds	9	21,977,628	-	-	-	21,977,628
		<b>(25,028,568)</b>	<b>(2,360,842)</b>	<b>(2,958,728)</b>	<b>(2,446,023)</b>	<b>(34,576,979)</b>

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022

### 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	2023	2022
Cash and cash equivalents	14,583,317	31,910,552
Trade and other receivables	7,235,319	3,401,110
	<u>21,818,636</u>	<u>35,311,662</u>

#### Foreign exchange risk

The Forum does not hedge foreign exchange fluctuations.

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 Forum received an offer to purchase the non-current asset classified as held for sale. The transaction is expected to be concluded within the first half of 2024 financial year.

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.

# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
<b>24. Cash (used in)/generated from operations</b>		
Surplus before taxation	2,084,479	3,364,109
<b>Adjustments for:</b>		
Depreciation	316,651	149,545
(Loss) / gains on disposals of assets	16,334	(581,162)
Losses on foreign exchange	-	409,411
Interest income	(379,968)	(162,477)
Finance costs	558,320	444,982
Net impairments and movements in credit loss allowances	-	330,000
Movement in grant contribution to capital	-	(330,000)
<b>Changes in working capital:</b>		
Trade and other receivables	(4,453,353)	4,002,967
Trade and other payables	789,838	168,036
Net change in restricted funds	(15,071,531)	43,510
	<b>(16,139,230)</b>	<b>7,838,921</b>



# SADC Parliamentary Forum

Annual Financial Statements for the year ended 31 March 2023

## Detailed Statement of Financial Performance

Figures in Namibia Dollar	Note(s)	2023	2022
<b>Revenue</b>			
Revenue Grant: SIDA SRHR		23,759,161	-
Revenue		21,148,050	21,148,050
Grant income		3,232,717	17,405,073
Salary income SRHR		2,956,541	-
	11	<b>51,096,469</b>	<b>38,553,123</b>
<b>Operating income</b>			
Administration and consultancy income		380,101	668,882
<b>Operating gains / (losses)</b>			
(Losses) / gains on disposal of assets		(16,334)	581,162
Foreign exchange losses		-	(409,411)
	13	<b>(16,334)</b>	<b>171,751</b>
<b>Operating expenses</b>			
Administration and management fees		(822,808)	(718,385)
Auditors remuneration - external auditors	14	(176,132)	(139,755)
Bank charges		(120,364)	(365,282)
Communication expenses		(246,109)	(276,601)
Consulting and professional fees		(397,391)	(390,751)
Contractual Cost		(411,261)	(378,333)
Depreciation		(316,124)	(149,545)
Employee costs		(12,362,691)	(12,831,711)
Executive Committee Meetings		(700,853)	(332,975)
Grant expense SRHR		(23,747,377)	-
Angola elections		(1,181,031)	-
Grant Expenses: Others		(1,300,961)	(641,441)
Grant expenses: Joint Standing Committee		(172,101)	-
Grant expenses: SRHR and HIV/AIDS Governance Project		(232,641)	(16,033,765)
Impairment loss (SG House)		-	(330,000)
Insurance		(127,826)	(97,755)
Motor vehicle expenses		(32,802)	(72,142)
Other Policy Organ Costs		(3,026)	(86,465)
Parliamentary Business Committee Meetings		(30,847)	-
Plenary Assembly Meetings		(3,973,987)	(1,641,081)
Printing and stationery		136,258	(212,468)
Professional fees		(29,003)	-
Programme Support		(2,265,112)	(641,404)
Suspense account		(10,449)	-
Travel, Subsistence an Transport		(672,767)	(407,283)
		<b>(49,197,405)</b>	<b>(35,747,142)</b>
<b>Operating surplus</b>	14	<b>2,262,831</b>	<b>3,646,614</b>
Investment income	15	379,968	162,477
Finance costs	16	(558,320)	(444,982)
<b>Total comprehensive surplus for the year</b>		<b>2,084,479</b>	<b>3,364,109</b>