

SADC Parliamentary Forum
Financial statements
for the year ended 31 March 2024

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

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	<table><tr><td>Hon. Speaker Roger Mancienne</td><td>President</td></tr><tr><td>Hon. Marie Joanne Sabrina Tour</td><td>Vice President</td></tr><tr><td>Hon. Senator Isaac Magagula</td><td>Treasurer</td></tr><tr><td>Hon. Pedro Sebastião</td><td>Member</td></tr><tr><td>Hon Speaker Phandu Tombola Chaha Skelemani</td><td>Member</td></tr><tr><td>Hon Cathy Sakombi Moleka</td><td>Member</td></tr><tr><td>Hon Speaker Tlohang Sekhamane</td><td>Member</td></tr><tr><td>Hon Dr. Fiarovana Lovanirina Célestin</td><td>Member</td></tr><tr><td>Hon. Rachel Zulu</td><td>Member</td></tr><tr><td>Hon. Speaker Esperança Laurinda Francisco Nhiumane Bias</td><td>Member</td></tr><tr><td>Hon. Phillipus Wido Katamelo</td><td>Member</td></tr><tr><td>Hon. Speaker Prof. Peter Hitjitevi Katjavivi</td><td>ex-officio</td></tr><tr><td>Hon Speaker Angela Thokozile Didiza</td><td>Member</td></tr><tr><td>Hon. Speaker Dr Tulia Ackson</td><td>Member</td></tr><tr><td>Hon. Princess Kasune</td><td>Member</td></tr><tr><td>Hon. Speaker Adv. Jacob Francis Nzwidamilimo Mudenda</td><td>Member</td></tr><tr><td>Hon. Shally Raymond</td><td>RWPC Chairperson ex-officio</td></tr></table>	Hon. Speaker Roger Mancienne	President	Hon. Marie Joanne Sabrina Tour	Vice President	Hon. Senator Isaac Magagula	Treasurer	Hon. Pedro Sebastião	Member	Hon Speaker Phandu Tombola Chaha Skelemani	Member	Hon Cathy Sakombi Moleka	Member	Hon Speaker Tlohang Sekhamane	Member	Hon Dr. Fiarovana Lovanirina Célestin	Member	Hon. Rachel Zulu	Member	Hon. Speaker Esperança Laurinda Francisco Nhiumane Bias	Member	Hon. Phillipus Wido Katamelo	Member	Hon. Speaker Prof. Peter Hitjitevi Katjavivi	ex-officio	Hon Speaker Angela Thokozile Didiza	Member	Hon. Speaker Dr Tulia Ackson	Member	Hon. Princess Kasune	Member	Hon. Speaker Adv. Jacob Francis Nzwidamilimo Mudenda	Member	Hon. Shally Raymond	RWPC Chairperson ex-officio
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Hon. Shally Raymond	RWPC Chairperson ex-officio																																		
Registered office	Parliament Gardens Erf 578 Love Street Windhoek																																		
Business address	Parliament Gardens Erf 578 Love Street Windhoek																																		
Postal address	Private Bag 13361 Windhoek Namibia																																		
Bankers	First National Bank of Namibia Limited Nedbank Namibia Limited																																		
Auditors	Grand Namibia Chartered Accountant (Namibia) Registered Accountants and Auditors																																		
Secretary General	Ms. Boemo Sekgoma																																		

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Index

	Page
Executive Committee's Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Executive Committee's Report	6 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 17
Notes to the Financial Statements	18 - 29
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Income Statement	30

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

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 2025 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 financial statements. The annual financial statements have been examined by the Forum's external auditor and their report is presented on pages to .

The annual financial statements set out on pages to 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

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 Forum") set out on pages 10 to 28, which comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of material accounting policies and the Executive Committee's report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of SADC Parliamentary Forum as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the 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 (ISAs). 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 Forum in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. 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 responsibility and approval and the detailed income statement. 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 on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Executive Committee for the Annual Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting, 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 ISAs 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 ISAs, 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 Forum's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's 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 Forum'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 Forum 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 Executive Committee 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.

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: P NGHIPANDULWA – Partner

Windhoek
29 April 2025

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Executive Committee's Report

The Executive Committee have pleasure in submitting its report on the financial statements of SADC Parliamentary Forum for the year ended 31 March 2024.

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 financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the SADC Parliamentary 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 financial statements.

3. Executive committee members

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

Directors	Membership type	Country
Hon. Speaker Roger Mancienne	President	Seychelles
Hon. Marie Joanne Sabrina Tour	Vice President	Mauritius
Hon. Senator Isaac Magagula	Treasurer	Eswatini
Hon. Pedro Sebastião	Member	Angola
Hon Speaker Phandu Tombola Chaha Skeleman	Member	Botswana
Hon Cathy Sakombi Moleka	Member	DRC
Hon Speaker Tlohang Sekhamane	Member	Lesotho
Hon Dr. Fiarovana Lovanirina Célestin	Member	Madagascar
Hon. Rachel Zulu	Member	Malawi
Hon. Speaker Esperança Laurinda Francisco Nhiuane Bias	Member	Mozambique
Hon. Phillipus Wido Katamelo	Member	Namibia
Hon. Speaker Prof. Peter Hitjitevi Katjavivi	ex-officio	Namibia
Hon Speaker Angela Thokozile Didiza	Member	South Africa
Hon. Speaker Dr Tulia Ackson	Member	Tanzania
Hon. Princess Kasune	Member	Zambia
Hon. Speaker Adv. Jacob Francis Nzwidamilimo Mudenda	Member	Zimbabwe
Hon. Shally Raymond	RWPC Chairperson - ex-officio	Tanzania

4. 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 2024 the Forum's investment in property, plant and equipment amounted to N\$9,285,920 (2023: N\$ 9,508,062).

5. Events after the reporting period

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

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Executive Committee's Report

6. Going concern

The Executive Committee believe that the Forum has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Executive Committee 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 are not aware of any new material changes that may adversely impact the Forum. The Executive Committee is 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 secretary general is Ms. Boemo Sekgoma.

Business address:

Parliament Gardens
Erf 578
Love Street
Windhoek

8. Auditors

Grand Namibia were appointed as the Forum's auditors for the financial year ended 31 March 2024.

9. Member countries

Angola
Botswana
Comoros
Democratic Republic of Congo
Eswatini
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
Seychelles
SouthAfrica
Tanzania
Zambia
Zimbabwe

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Namibia Dollar	Note(s)	2024	2023 Restated *	2022 Restated *
Assets				
Non-Current Assets				
Property, plant and equipment	2	9,285,920	9,508,062	9,562,385
Current Assets				
Trade and other receivables *	3	12,498,221	8,800,565	4,347,212
Cash and cash equivalents +	4	4,590,037	14,631,823	31,910,522
		17,088,258	23,432,388	36,257,734
Non-current assets held for sale	9	2,470,000	2,470,000	2,470,000
Total Assets		28,844,178	35,410,450	48,290,119
Equity and Liabilities				
Equity				
Unrestricted fund		5,500,000	-	-
Retained income		6,987,240	12,981,342	10,896,864
		12,487,240	12,981,342	10,896,864
Liabilities				
Non-Current Liabilities				
Financial liabilities	5	5,314,902	5,225,436	5,970,222
Current Liabilities				
Trade and other payables #	8	7,521,113	7,043,177	6,253,340
Financial liabilities	5	-	740,890	678,556
Restricted funds @	6	1,050,923	6,949,605	22,021,137
Grant contribution to capital - applied	7	2,470,000	2,470,000	2,470,000
		11,042,036	17,203,672	31,423,033
Total Liabilities		16,356,938	22,429,108	37,393,255
Total Equity and Liabilities		28,844,178	35,410,450	48,290,119

* The comparative 2023 amount included SRHR project balance of N\$ 1,132,373.

+ The comparative 2023 amount included SRHR project balance of N\$ 5,121,698.

The comparative 2023 amount included SRHR project balance of N\$ 194,921.

@ The comparative 2023 amount included SRHR project balance of N\$ 6,059,142.

* See Note 20

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	2024	2023 Restated *
Revenue **	10	23,125,080	51,096,469
Other operating income	11	981,627	380,101
Other operating gains (losses)	12	20,211	(16,334)
Operating expenses ++		(24,316,868)	(49,197,406)
Operating (deficit) surplus	13	(189,950)	2,262,830
Investment income	14	454,455	379,968
Finance costs	15	(758,608)	(558,320)
(Deficit) surplus profit for the year		(494,103)	2,084,478
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(494,103)	2,084,478

** The comparative 2023 amount included SRHR project grant income of N\$23,759,161

++ The comparative 2023 amount included SRHR project grant expenses of N\$23,759,161

* See Note 20

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Namibia Dollar	Unrestricted Fund	Retained income	Total equity
Opening balance as previously reported	-	10,605,123	10,605,123
Adjustments			
Prior period error	-	291,741	291,741
Restated* Balance at 1 April 2022 as restated	-	10,896,864	10,896,864
Profit for the year	-	2,084,478	2,084,478
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	2,084,478	2,084,478
Balance at 1 April 2023	-	12,981,343	12,981,343
Loss for the year	-	(494,103)	(494,103)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(494,103)	(494,103)
Transfer between reserves	5,500,000	(5,500,000)	-
Balance at 31 March 2024	5,500,000	6,987,240	12,487,240

Note(s)

* See Note 20

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2024	2023 Restated *
Cash flows from operating activities			
Cash used in operations	17	(8,929,269)	(16,139,230)
Interest income	14	454,455	379,968
Finance costs	15	(758,608)	-
Net cash from operating activities		(9,233,422)	(15,759,262)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(177,152)	(293,582)
Proceeds from sale of property, plant and equipment	2	20,211	14,918
Net cash from investing activities		(156,941)	(278,664)
Cash flows from financing activities			
Repayments of financial liabilities	5	(651,424)	(1,240,804)
Total cash movement for the year		(10,041,787)	(17,278,730)
Cash and cash equivalents at the beginning of the year		14,631,824	31,910,553
Cash and cash equivalents at the end of the year	4	4,590,037	14,631,823

* See Note 20

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

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 financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the SADC Parliamentary Forum's Constitution.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material 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 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

The executive committee 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

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.

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Electronic devices with a cost price of N\$ - are included in the inventory balance at the reporting date. These items have been on hand for approximately - months and have not been selling because of alternative devices introduced by competitive forces. Management have estimated that if the sales price is reduced by -%, then the inventory is expected to be sold within the next financial year. An allowance of N\$ - was therefore recognised against inventory at the reporting date. If the market does not absorb the inventory at the reduced price, then a further allowance of N\$ - will be required.

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

A valuation committee was established in order to determine the appropriate valuation techniques and inputs for each valuation. The committee reports to the CFO. Significant valuation issues are reported to the audit committee.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note and note .

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

The company 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.

An impairment charge of N\$ - arose on the North Rand Aluminium production plant, resulting in its carrying amount of N\$ - being written down to a recoverable amount of N\$ -. If the budgeted cost of capital rate used as the discount rate in the value in use calculation had been -% higher (lower) than management estimated, the impairment charge would have been N\$ - (N\$ - lower).

Management reviewed the recoverable amount of major equipment during the current period because increasing competitive forces indicated that there may have been a decline in the value in use of the equipment. An impairment test was performed and the recoverable amount of the equipment was assessed to be the value in use. Sales forecasts were applied in this calculation and management estimated an annual sales volume reduction on -% per annum for the following - years. This calculation resulted in an impairment loss of N\$ - being recognised. Management also determined that should the annual sales volume differ by -% from the estimate per annum the impairment loss would have changed by N\$ -. The carrying amount of the equipment after the impairment amounts to N\$ -.

Useful lives of property, plant and equipment

The executive committee 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 Forum 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 .Additional text

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 thee asset in prior periods.

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.

Some property leases contain variable payment temps that are linked to sales generated from a store. For individual stores, up to 100 per cent of lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment temps are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 5% increase in sales across all stores in the group with such variable lease contracts would increase total lease payments by approximately -% to -%.

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Accounting Policies

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.

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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

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 period. No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

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:

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Accounting Policies

1.4 Financial instruments (continued)

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

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.

Measurement and recognition of expected credit losses

The Forum 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.

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.

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables, 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.

Trade and other payables expose the Forum to liquidity risk and possibly to interest rate risk.

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. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.5 Tax

Taxation

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

1.6 Non-current assets held for sale

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. The Executive committee 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.

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.

1.7 Impairment of non - financial assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

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. Impairment losses are recognised immediately in profit or loss.

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Accounting Policies

1.7 Impairment of non - financial assets (continued)

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

The Forum recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the Forum will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

1.10 Borrowing costs

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

1.11 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.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

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.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

1.12 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.

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar

2024

2023

2. Property, plant and equipment

	2024			2023		
	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	5,014,971	(83,179)	4,931,792	5,014,443	(82,865)	4,931,578
Furniture and fixtures	739,910	(234,837)	505,073	677,985	(180,406)	497,579
Motor vehicles	1,298,021	(562,475)	735,546	1,277,578	(281,238)	996,340
Office equipment	131,971	(77,611)	54,360	134,919	(61,797)	73,122
IT equipment	483,239	(224,090)	259,149	381,632	(172,189)	209,443
Total	10,468,112	(1,182,192)	9,285,920	10,286,557	(778,495)	9,508,062

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Land	2,800,000	-	-	2,800,000
Buildings	4,931,578	528	(314)	4,931,792
Furniture and fixtures	497,579	61,925	(54,431)	505,073
Motor vehicles	996,340	20,443	(281,237)	735,546
Office equipment	73,122	2,948	(21,710)	54,360
IT equipment	209,443	101,607	(51,901)	259,149
	9,508,062	187,451	(409,593)	9,285,920

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2,800,000	-	-	-	2,800,000
Buildings	4,933,958	-	-	(2,380)	4,931,578
Furniture and fixtures	305,095	235,125	-	(42,641)	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
	9,562,385	293,583	(31,252)	(316,654)	9,508,062

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings 5:

Land and buildings	4,726,679	7,721,578
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
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, is secured and repayable in 60 months.		

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar	2024	2023
3. Trade and other receivables *		
Financial instruments:		
Subscription debtors/ (i.e contributions due from member states)	10,211,105	6,006,905
Restricted funds	2,026	2,026
Trade receivables at amortised cost	10,213,131	6,008,931
Deposits	19,853	19,853
Amounts claimable from other institutions	102,811	102,811
Other receivable	29,834	1,105,750
Non-financial instruments:		
VAT	1,003,029	911,701
Employee advances	48,545	(9,374)
Prepayments	1,081,018	660,893
Total trade and other receivables	12,498,221	8,800,565

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.

Fair value of trade and other receivables

The fair value of trade and other receivables * approximates their carrying amounts.

Restricted funds

Included in the trade and other receivables is VAT balance of N\$ 1,090,117 (2023: N\$ 911,701) 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.

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 2024, N\$ 10,211,105 (2023: N\$ 6,006,905) were past due but not impaired.

31 March 2024	3 months past due	Total
Trade receivables	10,211,105	10,211,105
<hr/>		
31 March 2023	3 months past due	Total
Trade receivables	6,006,905	6,006,905

4. Cash and cash equivalents +

Cash and cash equivalents consist of:

Bank balances	3,765,902	13,832,305
Short-term deposits	824,135	799,518
	4,590,037	14,631,823

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\$ 1,050,924 (2023: N\$ 6,427,585) 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

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar	2024	2023
4. Cash and cash equivalents + (continued)		
Restricted Funds are made up of the following:		
ACTIONAID*	614,341	229,599
ARASA*	6,846	6,846
SIDA - SRHR 62263160097 (USD)	172,631	5,163,604
GIZ - Programme Account- 11000060277	(3,762)	37,728
SIDA Gender- 11500003334	166,383	166,383
Other Grants	49,037	25,857
SAFAIDS*	13,211	267,222
OSISA*	181,302	181,302
Sisters for Change*	122,556	122,556
Plan International*	207,307	296,924
SIDA HIV/AIDS Prgm 2024	(498,183)	(89,691)
GIZ Project 1	19,255	19,255
	1,050,924	6,427,585
* These funds are held in the Forum's main bank account.		
Exposure to currency risk		
Namibia Dollar amount		
Namibia Dollar	4,590,037	14,631,824
5. Financial liabilities		
Held at amortised cost		
Nedbank Namibia Limited Loan	5,049,240	5,442,462
The loan is denominated in Namibian dollars (N\$), bears interest at 7.50% (2023: 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 87 months (2023: 99)		
First National Bank Loan	265,662	523,864
The loan is denominated in Namibian dollars (N\$), bears interest at 12.50% (2023:12,50%) 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 36 months (2023:48)		
	5,314,902	5,966,326
Split between non-current and current portions		
Non-current liabilities	5,314,902	5,225,436
Current liabilities	-	740,890
	5,314,902	5,966,326

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar	2024	2023
6. Restricted Funds		
SIDA Engendering Parliaments Programme	166,383	174,448
Other Grants	49,037	49,037
GIZ Project	(3,762)	282,935
OSISA 04 Natural Resources	181,302	181,302
ARASA	6,846	6,846
ACTIONAID	614,341	94,946
Sisters for Change	122,556	122,556
SAFAIDS	13,211	267,222
SIDA HIV/AIDS	172,631	5,976,720
SADC - SRHR HIV/AIDS	(498,183)	(391,072)
GIZ Project 1	19,255	-
Plan International	207,307	-
	1,050,924	6,764,940

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.

7. Grant Contribution to capital - applied

Reconciliation of grant contribution to capital - applied - 2024	Opening balance	Utilised during the year	Closing balance
Grant Contribution to Capital - Applied	2,470,000	-	2,470,000
Reconciliation of grant contribution to capital - applied - 2023	Opening balance	Utilised during the year	Closing balance
Grant Contribution to Capital - Applied	2,470,000	-	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.

8. Trade and other payables

Financial instruments:		
Trade payables	165,060	270,992
Other payables	11,025	11,025
Salary related accruals	(43,621)	105,463
Gratuity, leave pay and repatriation cost provision	2,805,510	2,360,338
Accrued expense SRHR	-	194,921
Non-financial instruments:		
Advance payment for election mission	794,251	311,550
Once-off contribution for SG House (Unspent)	785,888	785,888
Member contributions received in advance	3,003,000	3,003,000
	7,521,113	7,043,177

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar

2024

2023

9. 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 2025 financial period..

Assets and liabilities

Non-current assets held for sale

Property, plant and equipment	2,470,000	2,470,000
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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.

10. Revenue

Revenue from contracts with customers

Grant received: Other donors	1,977,030	3,232,717
Grant salary: SRHR	-	2,956,541
Contribution from member states	21,148,050	21,148,050
Grant received: SIDA SRHR	-	23,759,161
	23,125,080	51,096,469

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

11. Other operating income

RWPC programme support	162,318	-
Administration and consultancy income	819,309	380,101
	981,627	380,101

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar	2024	2023	
12. Other operating gains (losses)			
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	2	20,211	(16,334)
13. Operating (deficit) surplus			
Operating (deficit) surplus for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		97,500	176,132
Remuneration, other than to employees			
Administrative and managerial services		1,442,091	822,808
Consulting and professional services		160,056	426,394
		1,602,147	1,249,202
Employee costs			
Salaries, wages, bonuses and other benefits		13,995,270	12,362,691
Depreciation and amortisation			
Depreciation of property, plant and equipment		399,294	316,125
Expenses by nature			
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:			
Employee costs		13,995,270	12,362,691
Depreciation, amortisation and impairment		399,294	316,125
Other expenses		9,922,304	2,469,230
Grant expenses: Other donors		-	3,489,565
Grant expenses: SRHR and HIV/AIDS Governance Project		-	23,759,161
Plenary Assembly Meetings		-	3,973,987
Administration and management fees		-	822,808
Angola elections		-	1,181,031
		24,316,868	48,374,598
14. Investment income			
Interest income			
Investments in financial assets:			
Bank Interest received		454,455	379,968
15. Finance costs			
Interest paid on financial liabilities		758,608	558,320
16. Depreciation, amortisation and impairment losses			
Depreciation			
Property, plant and equipment		399,294	316,125

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar	2024	2023
17. Cash used in operations		
(Deficit) Surplus	(494,103)	2,084,479
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	399,294	316,651
(Gains) losses on sale of assets and liabilities	(20,211)	16,334
Adjust for items which are presented separately:		
Interest income	(454,455)	(379,968)
Finance costs	758,608	558,320
Changes in working capital:		
(Increase) decrease in trade and other receivables	(3,697,656)	(4,453,353)
Increase (decrease) in trade and other payables	477,936	789,838
Increase (decrease) in restricted funds	(5,898,682)	(15,071,531)
	(8,929,269)	(16,139,230)

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar	2024	2023
18. Related parties		
Relationships		
Member states		
	Angola	
	Botswana	
	Comoros	
	Democratic Republic of Congo	
	Eswatini	
	Lesotho	
	Madagascar	
	Malawi	
	Mauritius	
	Mozambique	
	Namibia	
	Seychelles	
	South Africa	
	Tanzania	
	Zambia	
	Zimbabwe	
Members of key management	Ms Boemo Sekgoma	
	Ms Yapoka N Mungandi	
Related party balances		
Contributions due from member states at year-end		
Tanzania	905	1,502,405
Malawi	1,501,500	1,501,500
DRC	3,003,000	1,501,500
Madagascar	3,003,000	1,501,500
Lesotho	1,501,500	-
Angola	1,201,200	-
	<u>10,211,105</u>	<u>6,006,905</u>
Contributions received in advance from member states		
Namibia	1,501,500	1,501,500
Zambia	1,501,500	1,501,500
	<u>3,003,000</u>	<u>3,003,000</u>
Related party transactions		
Mandatory contributions received from related parties		
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
	<u>21,148,050</u>	<u>21,148,050</u>

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar		2024	2023	
19. Compensation to directors and other key management				
Executive				
2024				
Services as members of key management	Basic salary	Allowances	Other material benefits	Total
Services as members of key management				
Remuneration	2,008,373	999,186	502,095	3,509,654
2023				
Services as members of key management	Basic salary	Allowances	Other benefits	Total
Services as member of key management				
Remuneration	2,008,373	999,186	502,095	3,509,654

20. Prior period errors

SADC PF recognises a gratuity provision of 25% of the basic salary for local employees in a non-managerial positions on a yearly basis that impacts the expenses in the income statement and the pension provision in the statement of financial position. 50% of the gratuity provision is paid over to the Pension house and 50% is paid over to the employees as a 13th Cheque on the birthday anniversary during each financial year. There was an error in the 2020 financial statements due to an omission of the pension provision of N\$ 291,741 not recognised as an expense and as a provision in that respective year.

Statement of Financial Position	2023	2022
(Increase)/decrease in Pension Provision	(291,741)	(291,741)
Decrease/(Increase) in Retained Income	291,741	291,741

21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Amortised cost
Trade and other receivables	3	10,365,629
Cash and cash equivalents	4	4,636,496
		15,002,125

2023

	Note(s)	Amortised cost
Trade and other receivables	3	7,237,345
Cash and cash equivalents	4	14,711,254
		21,948,599

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar

2024

2023

21. Financial instruments and risk management (continued)

Categories of financial liabilities

2024

	Note(s)	Fair value through profit or loss - Designated	Amortised cost
Trade and other payables	8	-	2,937,974
Restricted funds		-	1,050,923
Financial liabilities	5	59,061	5,255,841
		59,061	9,244,738

2023

	Note(s)	Amortised cost
Trade and other payables	8	2,445,049
Restricted funds		841,958
Financial liabilities	5	5,966,326
		9,253,333

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar

2024

2023

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.

Credit risk

Credit risk is the risk of financial loss to the forum if a counterparty to a financial instrument fails to meet its contractual obligations.

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.

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.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Financial liabilities	5	-	-	5,314,902
Current liabilities				
Trade and other payables		2,612,704	2,612,704	2,937,974
		2,612,704	2,612,704	8,252,876

2023

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Namibia Dollar		2024	2023				
21. Financial instruments and risk management (continued)							
		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities							
Financial liabilities	5	-	2,360,907	3,848,641	667,205	6,876,753	5,225,436
Current liabilities							
Trade and other payables	8	2,650,998	-	-	-	2,650,998	2,942,739
Financial liabilities	5	740,890	-	-	-	740,890	740,890
Bank overdraft	4	79,431	-	-	-	79,431	79,431
		3,471,319	2,360,907	3,848,641	667,205	10,348,072	8,988,496

Foreign currency 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.

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 2024 and 2023, the Forum's borrowings at variable rate were denominated in the Namibian Dollar.

22. Going concern

The 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.

SADC Parliamentary Forum

Financial Statements for the year ended 31 March 2024

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2024	2023 Restated *
Revenue			
Grant income		1,977,030	3,232,717
Salary income SRHR		-	2,956,541
Revenue		21,148,050	21,148,050
Revenue Grant: SIDA SRHR		-	23,759,161
	10	23,125,080	51,096,469
Other operating income			
RWPC programme support		162,318	-
Administration and consultancy income		819,309	380,101
	11	981,627	380,101
Other operating gains (losses)			
(Losses) / gains on disposal of assets		20,211	(16,334)
Other operating expenses			
Administration and management fees		(1,442,091)	(822,808)
Auditor's remuneration - external audit	13	(97,500)	(176,132)
Bank charges		(96,779)	(120,364)
Contractual Cost		-	(411,261)
Grant expenses: SRHR and HIV/AIDS Governance Project		-	(232,641)
Consulting and professional fees - legal fees		-	(29,003)
Consulting and professional fees		(160,056)	(397,391)
Grant expenses: Joint Standing Committee		(908,348)	(172,101)
Depreciation		(399,294)	(316,125)
Employee costs		(13,995,270)	(12,362,691)
Angola elections		-	(1,181,031)
Programme support		(1,622,993)	(2,265,112)
Suspense account		-	(10,449)
Grant Expenses: Others		(843,841)	(1,300,961)
Grant expense SRHR		-	(23,747,377)
Executive Committee Meetings		(886,127)	(700,853)
Communication expenses		(235,642)	(246,109)
Plenary Assembly Meetings		(3,133,871)	(3,973,987)
Other Policy Organ Costs		-	(3,026)
Insurance		(172,551)	(127,826)
Motor vehicle expenses		(91,992)	(32,802)
Printing and stationery		(75,656)	136,258
Parliamentary Business Committee Meetings		-	(30,847)
Travel, Subsistence and Transport		(154,857)	(672,767)
		(24,316,868)	(49,197,406)
Operating (loss) profit	13	(189,950)	2,262,830
Investment income	14	454,455	379,968
Finance costs	15	(758,608)	(558,320)
(Loss) profit for the year		(494,103)	2,084,478

* See Note 20