INTERNATIONAL FEDERATION OF WORKERS EDUCATION ASSOCIATION NPC

(REGISTRATION NUMBER 2009/024657/08)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To promote and advance the education of the democratic labour movement.
Directors	CC Ryklief MS Patel TH Elsley
Registered office	Community House 41 Salt River Road Cape Town 7945
Business address	Community House 41 Salt River Road Cape Town 7945
Postal address	PO Box 376 Woodstock Cape Town South Africa 7915
Bankers	Standard Bank Limited
Auditors	C2M Chartered Accountants Incorporated Chartered Accountants (SA) Registered Auditors
Company registration number	2009/024657/08
Tax reference number	9426/923/16/6
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of 2008 of South Africa.
Preparer	The annual financial statements were independently compiled by: MD Dreyer Professional Accountant (SA)

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

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of 2008 of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 6 to 7.

The annual financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the directors on 11/03/24 and were signed on its behalf by:

Signed by:Cheryl Cecilia Ryklief Signed at:2024-03-11 13:53:17 +02:00 Reason:Witnessing Cheryl Cecilia Ryklief Cheryl Cecilia Ryklief	Signed by:Mohamed Saliem Patel Signed at:2024-03-11 16:59:18 +02:00 Reason:Witnessing Mohamed Saliem Pat Mohamed Saliem Patel
CC Ryklief	**MS Patel**

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of International Federation of Workers Education Association NPC for the year ended 31 December 2023.

1. Incorporation

The company was incorporated on 21 December 2009 and obtained its certificate to commence business on the same day.

2. Nature of business

International Federation of Workers Education Association NPC was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

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

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of 2008 of South Africa. 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 company are set out in these annual financial statements.

4. Auditors

C2M Chartered Accountants Incorporated continued in office as auditors for the company for 2023.

At the AGM, the shareholders will be requested to reappoint C2M Chartered Accountants Incorporated as the independent external auditors of the company and to confirm Mr A Nel as the designated lead audit partner for the 2024 financial year.

5. Secretary

The company had no secretary during the year.

6. Directors

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

Directors	Changes
CC Ryklief	
MS Patel	
TH Elsley	Appointed 07 February 2023

Director Mr TH Elsley was appointed on 07 February 2023, as an additional director of the company.

7. Property, plant and equipment

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

8. Events after the reporting period

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

9. Going concern

The directors believe that the company 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 directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors 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 company.

DIRECTORS' REPORT

10. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of 2008 of South Africa.

11. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on the date that the director's responsibilities and approval report was signed. No authority was given to anyone to amend the annual financial statements after the date of issue.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of International Federation of Workers Education Association NPC

Opinion

We have audited the annual financial statements of International Federation of Workers Education Association NPC (the company) set out on pages 8 to 21, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 International Federation of Workers Education Association NPC as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of 2008 of South Africa.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "International Federation of Workers Education Association NPC annual financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act of 2008 of South Africa and the supplementary information as set out on page 21. 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.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of 2008 of South Africa, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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.

A Nel
Chartered Accountant (SA)
Registered Auditor
Director

Tygerforum B
53 Willie van Schoor Drive
Tygervalley
Bellville
7530

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	131,888	123,814
Other financial assets	3	855,138	-
		987,026	**123,814**
Current Assets			
Affiliates and other receivables	4	809,241	2,642
Cash and cash equivalents	5	7,386,274	7,041,382
		8,195,515	**7,044,024**
Total Assets		**9,182,541**	**7,167,838**
Equity and Liabilities			
Equity			
Reserves		131,887	123,814
Retained income		8,248,025	6,120,317
		8,379,912	**6,244,131**
Liabilities			
Current Liabilities			
Deferred income	6	426,900	537,355
Trade and other payables	7	375,729	386,352
		802,629	**923,707**
Total Equity and Liabilities		**9,182,541**	**7,167,838**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2023	2022
Income			
Self generated income	**8**	1,914,885	1,330,271
Grant income	**9**	7,443,317	6,896,469
Other Income		87,960	-
Total income		**9,446,162**	**8,226,740**
Operating expenditure		**(7,824,962)**	**(6,853,131)**
Other income and expenditure		(85,953)	(254,601)
Programme expenditure		(3,470,981)	(2,557,413)
Secretariat		(4,268,028)	(4,041,118)
Operating surplus		**1,621,200**	**1,373,610**
Interest income	**11**	514,581	282,277
Surplus for the year		**2,135,781**	**1,655,886**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,135,781**	**1,655,886**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Non-current asset reserve	Retained income	Total equity
Balance on 1 January 2022	**78,312**	**4,509,933**	**4,588,245**
Total comprehensive income for the year	-	1,655,886	1,655,886
Transfer between reserves	45,502	(45,502)	-
Balance on 1 January 2023	**123,814**	**6,120,317**	**6,244,131**
Total comprehensive income for the year	-	2,135,781	2,135,781
Transfer between reserves	8,074	(8,074)	-
Balance on 31 December 2023	**131,887**	**8,248,025**	**8,379,912**

INTERNATIONAL FEDERATION OF WORKERS EDUCATION ASSOCIATION NPC
(REGISTRATION NUMBER: 2009/024657/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash receipts from affiliates, contracts and funders		8,528,913	8,006,364
Cash paid to suppliers and employees		(7,774,784)	(6,805,724)
Cash generated from operations	13	754,129	1,200,640
Interest income		512,365	282,277
Dividends received		2,216	-
Net cash from operating activities		**1,268,710**	**1,482,917**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(71,014)	(87,579)
Proceeds from sale of property, plant and equipment	2	2,334	-
Purchases of other financial assets	3	(855,138)	-
Net cash from investing activities		**(923,818)**	**(87,579)**
Total cash movement for the year		**344,892**	**1,395,338**
Cash and cash equivalents at the beginning of the year		7,041,382	5,646,044
Total cash at end of the year	5	**7,386,274**	**7,041,382**

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, the International Financial Reporting Standard for Small and Medium-sized Entities and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of 2008 of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

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 Rands, which is the company'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

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Impairment testing

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.

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed seperately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applicable to loan balances in the portfolio and scaled to the estimated loss emergence period.

ACCOUNTING POLICIES

1.3 Property, plant and equipment

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

An item of profit is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

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

Property, plant and equipment is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

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

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 Years
Office equipment	Straight line	5 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.

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

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 Leases (Comparatives under IAS 17)

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

ACCOUNTING POLICIES

1.5 Financial instruments

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or loss, which shall not be classified out of the fair value through surplus or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at settlement date

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise 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.

1.6 Impairment of assets

The company assesses at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

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

- tests goodwill acquired in a business combination for impairment annually.

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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

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.

1.7 Revenue from contracts with customers

When the outcome of a transaction involving the rendering of services can be estimated reliabliy, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

Donations are recognised as income as and when they are received.

ACCOUNTING POLICIES

1.8 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.9 Borrowing costs

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

1.10 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Computer equipment	234,236	(149,317)	84,919	212,059	(147,769)	64,290
Office equipment	123,891	(76,922)	46,969	123,491	(63,967)	59,524
Total	**358,127**	**(226,239)**	**131,888**	**335,550**	**(211,736)**	**123,814**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	64,290	68,613	(2,334)	(45,650)	84,919
Office equipment	59,524	2,399	-	(14,954)	46,969
	123,814	**71,012**	**(2,334)**	**(60,604)**	**131,888**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	65,311	34,729	(35,750)	64,290
Office equipment	13,001	52,850	(6,327)	59,524
	78,312	**87,579**	**(42,077)**	**123,814**

3. Other financial assets

	2023	2022
Investment Shares	855,138	-
Non-current assets		
At fair value	855,138	-

	Opening Balance	**Additions at Cost**	**Disposals at Cost**	**Fair Value Adjustment**	**Total**
10 X Govi	-	100,232	-	1,031	101,263
ABSA Group Limited	-	60,069	-	2,141	62,210
Caxton CTP Publish Print	-	60,292	-	270	60,562
Growthpoint Prop Limited	-	60,038	-	3,326	63,364
Momentum Met Holdings Limited	-	60,431	-	3,160	63,591
MTN Group Limited	-	59,323	-	4,202	63,525
Nampak Limited	-	29,943	-	3,715	33,658
Ninety One PLC	-	60,107	-	(817)	59,290
Quilter PLC	-	61,125	-	(425)	60,700
Reunert Limited	-	59,559	-	381	59,940
Satrix Govi EFT	-	100,319	-	2,124	102,443
Standard Bank Group Limited	-	60,208	-	4,303	64,511
Vukile Property Fund Limited	-	60,142	-	(61)	60,081
	-	**831,788**	**-**	**23,350**	**855,138**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022

4. Affiliates and other receivables

Affiliate receivables	742,867	2,124
Salary control account	-	518
Staff loans	66,374	-
	809,241	**2,642**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	7,109,230	7,035,858
Cash on hand	3,680	5,524
Stock broker cash balance	273,364	-
	7,386,274	**7,041,382**

6. Deferred income

Olof Palme International Center	426,900	537,355

7. Trade and other payables

Accrued leave pay	200,148	226,911
Trade payables	175,581	159,441
	375,729	**386,352**

8. Self generated income

Revenue from contracts with customers		
Affiliation fees	962,700	783,664
Research and related services	202,149	326,629
Youth Globalisation Awareness Programme	369,000	219,978
Other income		
Conference fee income	381,037	-
Exchange rate gain	63,305	-
Fair value gains	23,350	-
Gain on sale of assets	1,304	-
	2,002,845	**1,330,271**

9. Grant income

Grant income - Arbeidernes Opplysningsforbund i Norge	-	382,772
Grant income - DGB Bildungswerk	-	366,321
Grant income - Olof Palme International Center	7,175,015	6,147,376
Grant income - Solidar	268,303	-
	7,443,318	**6,896,469**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022

10. Surplus for the year

Grant income		
Grant income	7,443,317	6,896,469
Interest income	66,449	44,062
	7,509,766	6,940,531
Expended on: Secretariat	(4,294,791)	(4,268,029)
Programme expenditure	(3,214,975)	(2,289,730)
Surplus attributable to Grant Income	**-**	**382,772**
Self-generated Income		
Self-generated income	2,002,845	1,330,271
Interest	448,132	238,215
	2,450,977	1,568,486
Expended on: Other operating income/(expenditure)	(59,190)	(27,690)
Programme expenditure	(256,006)	(267,682)
Surplus attributable to Self Generated Income	**2,135,781**	**1,273,114**

11. Investment revenue

Dividend revenue		
Other financial assets - Local	2,216	-
Interest revenue		
Bank and other cash	512,365	282,277
	514,581	**282,277**

12. Taxation

Major components of the tax expense

Reconciliation of the tax expense

Accounting profit	2,135,781	1,655,886
Tax at the applicable tax rate of 27% (2022: 28%)	576,661	463,648
Tax effect of adjustments on taxable income		
Exempt income		
Exempt income and related expenditure	(576,661)	(463,648)
	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022

13. Cash generated from operations

Net profit before taxation	2,135,781	1,655,886
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	60,604	42,077
Investment income	(514,581)	(282,277)
Changes in working capital:		
(Increase) decrease in affiliate and other receivables	(806,795)	5,329
Increase (decrease) in trade and other payables	(10,425)	277,009
Increase (decrease) in deferred income	(537,355)	(497,386)
	327,229	**1,200,640**

14. Directors' emoluments

Executive

CC Ryklief	1,052,972	986,822
MS Patel	820,545	768,953
	1,873,517	**1,755,775**

15. Going concern

The directors believe that the company 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 directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors 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 company.

16. Risk management

Financial risk management

Overview

The company is exposed to the following risks from its use of financial statements:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate spike and price risk).

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

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

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022

16. Risk management (continued)

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

Interest rate risk

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

DETAILED INCOME STATEMENT

Figures in Rand	Notes	2023	2022
Revenue			
Grant income	**7**	**7,443,317**	**6,896,469**
Self generated income	**6**	**1,914,885**	**1,330,271**
Affiliation fees and other income		962,700	783,664
General conference fee income		381,037	-
Research services		202,149	326,629
Youth Globalisation Awareness Program		369,000	219,978
		9,358,203	**8,226,740**
Operating expenditure			
Secretariat		**(4,268,028)**	**(4,041,118)**
Finance - Accounting		(276,095)	(274,059)
- Audit		(37,778)	(35,621)
Office expenditure		(358,315)	(399,943)
Staffing		(3,595,841)	(3,331,494)
Programme expenditure		**(3,470,981)**	**(2,557,413)**
Accommodation		(209,109)	(610,244)
Expert participation		(1,376,628)	(1,384,933)
Expensed equipment		(46,058)	(9,766)
General conference expenditure		(1,912,394)	(77,875)
General conference recoveries		529,443	-
Information technology		(145,578)	(180,908)
International travel		(248,087)	(402,462)
Local travel		(46,220)	(141,356)
Material		(14,360)	(32,502)
Meals		(71,281)	-
Programme expense recoveries		188,869	391,445
Telecommunications		(119,578)	(108,813)
Other income and expenditure		**2,007**	**(254,601)**
Exchange rate gain		63,305	-
Fair value gain		23,350	-
Gain on sale of assets		1,304	-
Bad debt written off		-	(23,587)
Decrease in provision for bad debts		1,414	37,974
Depreciation		(60,604)	(42,077)
Provision for leave pay		(26,763)	(226,911)
Total expenditure		**(7,737,002)**	**(6,853,131)**
Operating surplus		**1,621,200**	**1,373,610**
Investment income	**9**	514,581	282,277
Surplus for the year	**10**	**2,135,781**	**1,655,886**