

Solidaridad

SOLIDARIDAD SOUTHERN AFRICA NGO

MOZAMBIQUE OFFICE

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

**SOLIDARIDAD SOUTHERN AFRICA
MOZAMBIQUE OFFICE**

Annual Financial Statements for the year ended 31 December 2021

General Information

Country of incorporation and domicile	Mozambique
Functional and reporting currency	Mozambican Metical (MZN)
Nature of business and principal activities	The Organisation is engaged in promoting production with respect for people and planet, and reliable trade relations that give producers a fair deal in developing countries within the Southern African region.
Directors	The following directors held office for the year under review:- Name Mandlenkosi Nkomo - Regional Director Francisco Nhanale - Country Manager
Company secretary	W Matthews
Legal form	Non Governmental Organisation
Registered office and business address	1st Floor, Okapi Plaza Cnr 25 September and Albert Lithuli Maputo
Website address	solidaridadnetwork.org
Principal Bankers	Stanbic Bank
Preparer	The annual financial statements were internally prepared by W Matthews.
Level of assurance	These annual financial statements have been audited independently on the request of the Solidaridad International Network.

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**INDEX TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Contents	Page
Directors' responsibilities and approval	1
Independent auditor's report	2 - 4
Report of the directors	5
Statement of financial position	6
Statement of comprehensive income	7
Statement of changes in reserves	8
Statement of cash flows	9
Notes to the annual financial statements	10 - 17

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

DIRECTORS' RESPONSIBILITIES AND APPROVAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are required, by the Solidaridad Network, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the organisation as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards 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 controls established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets out 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 organisation and employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation 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 controls provides reasonable assurance that the financial records may be relied on for the presentation of the 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 organisation's cash flow forecast for the year to 31st December 2022 and, in the light of this review and the current financial position, they are satisfied that the organisation has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of directors is primarily responsible for the financial affairs of the organisation, it is supported by the organisation's external auditors.

The external auditors are responsible for independently auditing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on pages 2 to 4.

The annual financial statements set out on pages 5 to 17, which have been prepared on the going concern basis, were approved by the board of directors on the 30th May 2022 and signed on its behalf by:

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Wanyike
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INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS

SOLIDARIDAD SOUTHERN AFRICA NGO MOZAMBIQUE OFFICE

Unqualified Opinion

We have audited the financial statements of The Solidaridad Network Southern Africa NGO - Mozambique, Office, set out on pages 6 to 17, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements fairly present, in all material respects, the financial position of The Solidaridad Network Southern Africa NGO - Mozambique Office, as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with its accounting policies and International Financial Reporting Standards for Small and Medium - sized Entities.

Basis for Unqualified 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 Financial Statements section of our report. We are independent of the Association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), together with the ethical requirements that are relevant to our audit of financial statements in South Africa. We have fulfilled our other ethical requirements in accordance with these requirements and the IRBA Code. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the Report of the Directors set out on page 5.

The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we 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 Management and Those Charged With Governance for the Financial Statements

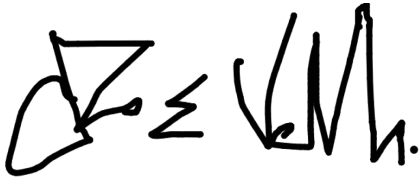
Management is responsible for the preparation and fair presentation of the financial statements in accordance with their accounting policies and International Financial Reporting Standards for Small and Medium - sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Organisation'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 management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the 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 Organisation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- conclude on the appropriateness of management'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 Organisation'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 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 Organisation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the organisation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organisation audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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. We have communicated with those charged with governance on all relationships and other matters, which may reasonably be thought to bear on our independence and, where applicable, related safeguards.

Handwritten signature in black ink, appearing to read 'D & V'.

DC Douglas RA (IRBA 605581)
Douglas & Velcich
Chartered Accountants (S.A.)

Johannesburg
27 June 2022

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**REPORT OF THE DIRECTORS FOR THE
YEAR ENDED 31 DECEMBER 2021**

The directors present their report, together with the annual financial statements of the organisation for the financial year ended 31 December 2021.

GENERAL

The Organisation was operating as a regional office which was consolidated into the accounting records of the Solidaridad Network SA Trust registered in South Africa.

At the beginning of 2018, it was decided by the Network to reflect the Organisation separately from the South African Trust.

The operating results and state of affairs of the Organisation are fully set out in the attached annual financial statements.

EQUIPMENT

During the year under review, the Organisation purchased equipment with a total cost of MZN 1,489,763 (2020:MZN 4,121,164)

SUBSEQUENT EVENTS

There were no material facts or circumstances which have occurred in the Organisation's operations between the financial position date and the date of this report.

DIRECTORS

The directors of the Organisation are :

Mandlenkosi Nkomo	- Regional Director
Francisco Nhanale	- Country manager

AUDITORS

Douglas & Velcich were retained as auditors for the year under review.

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Note	2021 MZN	2020 MZN
ASSETS		10 402 559	9 082 846
Non current assets		4 838 964	5 154 650
Equipment	3	4 838 964	5 154 650
Current assets		5 563 595	3 928 196
Accounts receivable	4	1 879 686	285 152
Accrued income	5	-	1 806 206
Cash and cash equivalents	6	3 683 909	121 565
Amount due from Solidaridad entity	7	-	1 715 273
Total assets		10 402 559	9 082 846
RESERVES AND LIABILITIES		10 402 559	9 082 846
Reserves		5 665 076	5 980 762
General fund		826 112	826 112
Equipment fund		4 838 964	5 154 650
Current liabilities		4 737 483	3 102 084
Accounts payable	8	1 422 805	2 610 566
Deferred income	9	3 314 678	491 518
Total reserves and liabilities		10 402 559	9 082 846

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 MZN	2020 MZN
INCOME		49 797 647	37 362 788
Transfers from Solidaridad South Africa	14	41 893 478	31 299 720
Expenses paid directly by Solidaridad Southern Africa	14	4 944 587	472 054
Grant received	10	2 263 182	5 195 399
Consulting income		-	161 089
Proceeds on disposal of fixed assets		671 400	53 005
Other Income		25 000	181 520
EXPENDITURE		49 720 335	34 243 192
Audit Fees		221 547	208 716
Bank charges		48 177	47 669
Cleaning		34 650	44 000
Communication costs		238 316	178 797
Consulting fees		467 640	-
Depreciation		1 412 451	1 010 467
Foreign exchange loss		-	139 987
Insurance		687 444	512 155
IT support		237 946	-
Legal fees		99 934	123 942
Office expenses		269 323	4 417
Printing, postage and stationery		244 224	267 162
Programme costs		20 372 487	15 002 197
Rent, water and electricity		791 005	597 164
Salaries and contributions		24 054 916	15 897 672
Staff recruitment, training and development		364 970	-
Travel and accommodation		175 306	208 845
NET SURPLUS		77 312	3 119 596
OTHER COMPREHENSIVE INCOME/ALLOCATIONS		(77 312)	(2 065 335)
Items that will not be reclassified as Profit or Loss		(77 312)	(2 065 335)
Transfer to the Equipment Fund - cost of assets purchased		(1 489 763)	(4 141 467)
Transfer to the Equipment Fund - Depreciation		1 412 451	1 010 467
Transfer of Motor Veh. Replacement Fund to Equipment Fund		-	1 065 666
COMPREHENSIVE INCOME		-	1 054 262

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	General fund MZN	Equipment fund MZN	Motor Vehicle Replacement fund MZN	Total MZN
Balance at 31 December 2019	(228 150)	2 026 779	1 065 666	2 864 296
Allocation of funds during the year	43 795	4 141 467	(1 065 666)	3 119 596
Results for the year	3 119 596	-	-	3 119 596
Transfer to equipment fund - funded assets	(3 075 801)	4 141 467	(1 065 666)	-
Net Book Value of Assets disposed of during the year	-	(3 130)	-	(3 130)
Cost of assets disposed of	-	(55 428)	-	(55 428)
Depreciation on assets disposed of	-	52 298	-	52 298
Depreciation for the year	1 010 467	(1 010 467)	-	-
Balance at 31 December 2020	826 112	5 154 650	-	5 980 762
Allocation of funds during the year	(1 412 451)	1 489 763	-	77 312
Results for the year	77 312	-	-	77 312
Transfer to Equipment Fund - funded assets	(1 489 763)	1 489 763	-	-
Net Book Value of Assets disposed of during the year	-	(392 998)	-	(392 998)
Cost of assets disposed of	-	(673 710)	-	(673 710)
Depreciation on assets disposed of	-	280 713	-	280 713
Depreciation for the year	1 412 451	(1 412 451)	-	-
Balance at 31 December 2021	826 112	4 838 964	-	5 665 076

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2021**

	Note	2021 MZN	2020 MZN
Funds received from Solidaridad - South Africa		46 838 065	31 771 774
Deferred income received from Solidaridad		3 314 678	
Cash received from Grantors		3 602 871	3 758 763
Net Cash expended on programmes, suppliers and employees		(51 831 231)	(31 559 911)
		<hr/>	<hr/>
Cash generated from operations	12	1 924 383	3 970 626
Depreciation		1 412 451	1 010 467
		<hr/>	<hr/>
Net cash inflow from operating activities		3 336 834	4 981 093
Cash flows (utilised in) investing activities		(1 489 763)	(4 141 466)
Acquisition of equipment	3	(1 489 763)	(4 141 466)
Cash flows generated from/(utilised in) financing activities		1 715 273	(849 027)
Net decrease/(increase) in Solidaridad entities' balances		1 715 273	(849 027)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		3 562 344	(9 401)
Cash and cash equivalents at beginning of year		121 565	130 965
		<hr/>	<hr/>
Cash and cash equivalents at end of year	6	3 683 909	121 565
		<hr/> <hr/>	<hr/> <hr/>

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO ANNUAL THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Mozambican Meticaís. The measurement basis used is the historical costs basis, except where otherwise stated in the accounting policies below.

1.1 Accounting convention

The entity is registered as a Non-Governmental Organisation (NGO) with the Republic of Mozambique.

1.2 Equipment

The cost of an item of tangible assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the organisation; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible assets other than freehold land, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Useful life
Computer equipment	3 years
Motor vehicle	5 years
Office equipment	5 years
Office furniture	6 years

The depreciation charge for each period is recognised through the equipment fund, unless it is included in the carrying amount of another asset. The gain or loss arising from the derecognising of an item of equipment is included in the equipment fund when the item is derecognised. The gain or loss arising from the derecognising of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

It is the policy of the organisation to write off all asset purchases against the operating fund in the year that the assets are acquired as most income is from funders who request that the assets be expensed in the year of purchase. (See Note 1.12)

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

1. ACCOUNTING POLICIES (Continued)

1.3 Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

Accounts receivable

Accounts receivables and accrued income are stated at cost less provision for impairment losses.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Accounts payable

Accounts payable which are short - term obligations, are stated at their nominal value.

1.4 Impairment

The carrying amount of assets are reviewed at financial position date to determine whether there is any indication of impairment. If there is such indication, the assets are written down to the estimated recoverable amounts. The recoverable amount is the higher of the net selling price and the value in use.

1.5 Provisions

Provisions are recognised when the organisation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

1.6 Income recognition

All income from grants is reported as income in the period when it is received. Should a portion of the grants received relate to a future period, that amount will be considered as Other Comprehensive Income and allocated to Deferred Income, a Current Liability.

All other income is brought to account as and when received.

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

1. ACCOUNTING POLICIES (Continued)

1.7 Interest income

Interest is brought to account as and when received.

1.8 Expenditure recognition

Expenditure is accounted for on the accrual basis.

1.9 Project accounting and expense allocation

In terms of its contractual obligations to donors, the organisation's policy is to allocate project expenses that are clearly identifiable as such, directly against project funds. Indirect and shared costs are apportioned on the basis of management estimates.

Accrued and deferred grant income is based on the balance of each project or donor fund after taking into account the direct, indirect and shared costs as described above. The unexpended surplus of the project fund is deferred to the following year or the deficit is accrued in the year under review.

1.10 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 employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of 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.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of 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.

1.12 Equipment Fund

In order for the cost of tangible assets procured by the organisation to be reflected as a reduction in its distributable funds that have been received in the form of grants from donors, an Equipment Fund, representing the net book value of the organisation's assets has been established.

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

1. ACCOUNTING POLICIES (Continued)

1.12 Equipment Fund (Continued)

The mechanism whereby this fund is maintained at a value equal to the carrying value of tangible assets in the statement of financial position, is that an amount equal to the cost of equipment acquired is charged to the organisation's surplus funds each year and credited to the Equipment Fund. Depreciation, impairment losses and the net book value of any tangible assets disposed of, are also adjusted annually against the fund as detailed below:

(The total depreciation/impairment cost for each period is initially recorded above-the-line (i.e. before Surplus for the Year) in the Statement of Comprehensive Income) (SCI). This total depreciation/impairment cost is then transferred, below-the-line, from the SCI to the Equipment Fund. These entries allow users of the financial statements to note the total cost of the depreciation/impairment of company assets for the period, as reflected in the current Income Statement. As the costs of the assets have already been charged against the organisation's funds (1.1.3) the subsequent transfer of the total cost for depreciation/impairment for the period from the Income Statement to the Equipment Fund ensures: a) that the relevant charge against income is not duplicated, and b) the Equipment Fund correctly reflects the net book value of the company's tangible assets.)

As the cost of all tangible assets has already been charged to the distributable funds of the organisation, the total proceeds (net of any disposal costs) arising from the disposal of a tangible asset represents income to the organisation, recorded above the line in the SCI. The remaining net book value of the asset at the date of disposal will then be reversed against its corresponding and equal value in the Equipment Fund.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The organisation's overall risk management programme is conducted by the Board of Directors and focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the organisation's financial performance.

(a) Market risk

The company is exposed to currency risk to the extent that it operates a foreign currency (United States Dollar) bank account.

(b) Credit risk

The organisation's credit risk is attributable to accounts receivable and liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The organisation has no significant credit risk arising from its receivables in the current year.

(c) Liquidity risk

Using cash flow forecasting, management maintains adequate levels of cash to fund ongoing obligations.

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

3. EQUIPMENT

	Computer equipment MZN	Motor vehicle MZN	Office Equipment MZN	Office furniture MZN	Total MZN
31 December 2021					
Net book value at 1/1/2021	509 829	2 821 842	1 482 354	340 625	5 154 650
Cost	984 271	4 498 580	1 807 782	535 236	7 825 868
Accumulated depreciation	(474 442)	(1 676 738)	(325 428)	(194 610)	(2 671 218)
Additions for the year	332 500	238 680	893 135	25 448	1 489 763
Disposals for the year	-	(392 998)	-	-	(392 998)
Cost	-	(673 710)	-	-	(673 710)
Accumulated depreciation	-	280 713	-	-	280 713
Depreciation for the year	(273 407)	(611 540)	(427 728)	(99 776)	(1 412 451)
Net book value at 31/12/2021	568 922	2 055 984	1 947 762	266 296	4 838 964
Cost	1 316 771	4 063 550	2 700 917	560 683	8 641 921
Accumulated depreciation	(747 848)	(2 007 566)	(753 155)	(294 387)	(3 802 957)
31 December 2020					
Net book value at 1/1/2020	277 716	717 445	738 922	292 697	2 026 779
Cost	595 049	1 971 130	765 015	408 636	3 739 829
Accumulated depreciation	(317 333)	(1 253 686)	(26 093)	(115 938)	(1 713 050)
Transferred from South Africa	-	-	20 303	-	20 303
Additions for the year	444 650	2 527 450	1 022 465	126 600	4 121 164
Disposals for the year	(3 130)	-	-	-	(3 130)
Cost	(55 428)	-	-	-	(55 428)
Accumulated depreciation	52 298	-	-	-	52 298
Depreciation for the year	(209 407)	(423 053)	(299 335)	(78 672)	(1 010 467)
Net book value at 31/12/2020	509 829	2 821 842	1 482 354	340 625	5 154 650
Cost	984 271	4 498 580	1 807 782	535 236	7 825 868
Accumulated depreciation	(474 442)	(1 676 738)	(325 428)	(194 610)	(2 671 218)

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

	2021	2020
	MZN	MZN
4. ACCOUNTS RECEIVABLE		
Travel advances	1 146 353	281 525
Accounts Receivable	729 706	-
Other receivables	3 627	3 627
	1 879 686	285 152
5. ACCRUED INCOME		
Food and Agricultural Organisation of the United Nations	-	15 074
IDH Sustainable Trade Initiative/Grow Africa	-	1 791 132
	-	1 806 206
6. CASH AND CASH EQUIVALENTS		
Standard Bank - Mozambique (MTN)	3 652 986	90 641
Standard Bank - Mozambique (US Dollars)	30 170	30 170
Standard Bank - Mozambique Project bank account	1 064	1 064
Petty cash - local	(310)	(310)
	3 683 909	121 565
7. AMOUNT DUE FROM SOLIDARIDAD ENTITY		
Solidaridad South Africa	-	1 715 273
Funds due from Soildaridad South Africa to cover costs of 2021 accrued at 31 December 2021.		
8. ACCOUNTS PAYABLE		
Creditors	1 401 847	2 534 269
Travel advances	20 958	76 297
	1 422 805	2 610 566
9. DEFERRED INCOME		
Food and Agricultural Organisation of the United Nations	-	491 518
Solidaridad South Africa	3 314 678	-
	3 314 678	491 518

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

	2021	2020
	MZN	MZN
10. GRANTS RECEIVED		
Food and Agricultural Organisation of the United Nations ("FAO")		
- FAO 078/2019	-	1 207 974
Received	15 074	728 343
Deferred to 2020	-	464 557
Accrued in 2020	(15 074)	15 074
Food and Agricultural Organisation of the United Nations ("FAO")		
- FAO 066/2020	813 977	452 239
Received	322 459	943 757
Deferred to 2021	491 518	(491 518)
IDH Sustainable Trade Initiative/Grow Africa	6 494	3 535 186
Received	1 797 626	1 744 054
Accrued in 2020	(1 791 132)	1 791 132
Wageningen University	1 442 711	-
Received	1 442 711	-
	2 263 182	5 195 399

11. TAXATION

No provision has been made for taxation as there is correspondence from the Mozambique Government declaring that the NGO is registered in the Republic of Mozambique as the Solidaridad Network Southern Africa NGO with its origins in South Africa.

12. CASH GENERATED FROM OPERATIONS

Results for the year	77 312	3 119 596
Adjusted for :		
Increase in deferred income	2 823 161	26 961
Decrease/(increase) in accrued income	1 806 206	(1 806 206)
Results before working capital changes	4 706 679	1 340 351
Working capital changes	(2 782 295)	2 630 276
(Increase)/decrease in accounts receivable	(1 594 534)	167 475
(Decrease)/increase in accounts payable	(1 187 762)	2 462 801
	1 924 383	3 970 627

**SOLIDARIDAD SOUTHERN AFRICA NGO
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

**2021
MZN**

**2020
MZN**

13. COMMITMENTS

The organisation has the following commitment in respect of a rental agreement covering office premises:

Operating lease - premises

Payable within one year

960 000

-

Payable thereafter

1 600 000

-

2 560 000

-

14. RELATED PARTIES

Transfers from other regional offices

Solidaridad Network - South Africa - 2021

41 893 478

31 299 720

Expenses paid on behalf from other regional offices

Solidaridad Network - South Africa

4 944 587

472 054

Receivable/ due from other regional offices

Solidaridad Network - South Africa

-

1 715 273

15. GOING CONCERN

The existence of the organisation is dependent on the continued support of Solidaridad Network, by way of transfers. Should the transfers be withdrawn it is highly unlikely that the organisation will be able to continue as a going concern. The Solidaridad Network has agreed to continue supporting the organisation in 2022.

16. PROGRAMME COSTS

Project Implementation Cost - Partner Contract

105 720

-

Associate consultants

3 617 708

-

Internship /Volunteers/ National Service

993 150

-

Motor vehicle expenses

3 206 910

2 975 270

Equipment and other rentals

182 446

223 897

Air travel

1 630 487

463 295

Accommodation Expenses

843 038

961 485

Per Diems

1 274 014

1 781 674

Meals

1 193 841

1 019 621

Public Transport

331 114

613 335

Office and admin.expenses

929 899

989 405

Publication Expenses

221 527

-

Advertisements

84 240

88 012

Baselines & Evaluations

125 295

-

Venue Rental

511 025

16 726

Program Materials and Input

5 122 073

5 869 477

20 372 487

15 002 197