

# **Solidaridad**



**SOLIDARIDAD SOUTHERN AFRICA NGO**

**MOZAMBIQUE OFFICE**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2022**

**SOLIDARIDAD SOUTHERN AFRICA  
MOZAMBIQUE OFFICE**

Annual Financial Statements for the year ended 31 December 2022

**General Information**

**Country of incorporation  
and domicile** Mozambique

**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**

Francisco Nhanale - Country Manager

W Matthews

**Company secretary**

Non Governmental Organisation

**Legal form**

**Registered office and  
business address**

1st Floor, Okapi Plaza  
Cnr 25 September and Albert Lithuli  
Maputo

[solidaridadnetwork.org](http://solidaridadnetwork.org)

**Website address**

Stanbic Bank

**Principal Bankers**

The annual financial statements were internally prepared by W Matthews.

**Preparer**

**Level of assurance**

These annual financial statements have been audited independently on the request of the Solidaridad Network.

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**DIRECTOR'S RESPONSIBILITIES AND APPROVAL**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are required, by the Solidaridad Network, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is his 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 has set 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 31<sup>st</sup> December 2023 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 30<sup>th</sup> June 2023 and signed on its behalf by:

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Braamfontein, Johannesburg 2001  
PO Box 32707, Braamfontein 2017  
Tel: (X27)(0)11-403-3835  
[info@d-v.co.za](mailto:info@d-v.co.za)

## **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 2022, 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 2022, 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.

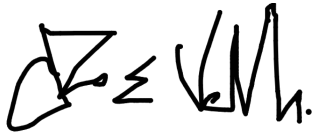
## **Auditor's Responsibilities for the Audit of the Financial Statements**

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.

A handwritten signature in black ink, appearing to be 'D. Douglas' followed by a stylized flourish.

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

**Johannesburg**  
**30 June 2023**

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**REPORT OF THE DIRECTORS FOR THE  
YEAR ENDED 31 DECEMBER 2022**

The directors present their report, together with the annual financial statements of the organisation for the financial year ended 31 December 2022.

**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 3,878,940 (2021:MZN 1,489,763)

**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 director of the Organisation is :

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 2022**

	Note	2022 MZN	2021 MZN
<b>ASSETS</b>		<b>13 452 551</b>	<b>10 402 559</b>
<b>Non current assets</b>		<b>6 864 378</b>	<b>4 838 964</b>
Equipment	3	6 864 378	4 838 964
<b>Current assets</b>		<b>6 588 173</b>	<b>5 563 595</b>
Accounts receivable	4	270 977	1 879 686
Cash and cash equivalents	5	625 772	3 683 909
Amount due from Solidaridad entity	6	5 691 424	-
<b>Total assets</b>		<b>13 452 551</b>	<b>10 402 559</b>
<b>RESERVES AND LIABILITIES</b>		<b>13 452 551</b>	<b>10 402 559</b>
<b>Reserves</b>		<b>7 690 491</b>	<b>5 665 076</b>
General fund		826 112	826 112
Equipment fund		6 864 378	4 838 964
<b>Current liabilities</b>		<b>5 762 060</b>	<b>4 737 483</b>
Accounts payable	8	5 762 060	1 422 805
Deferred income	9	-	3 314 678
<b>Total reserves and liabilities</b>		<b>13 452 551</b>	<b>10 402 559</b>

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 MZN	2021 MZN
<b>INCOME</b>		<b>67 890 719</b>	<b>49 126 247</b>
Transfers from Solidaridad South Africa		57 024 672	41 893 478
Expenses paid on behalf by Solidaridad Southern Africa		8 117 439	4 944 587
Grant and Consultancy income	9	2 281 596	2 263 182
Other Income		467 011	25 000
<b>EXPENDITURE</b>		<b>64 272 793</b>	<b>48 307 885</b>
Audit Fees		203 390	221 547
Bank charges		49 970	48 177
Cleaning		2 400	34 650
Communication costs		268 549	238 316
Consulting fees		863 965	467 640
Foreign exchange loss		8 468	-
Insurance		37 899	687 444
IT support		88 984	237 946
Legal fees		80 938	99 934
Office expenses		207 252	269 323
Printing, postage and stationery		183 021	244 224
Programme costs		34 209 895	20 372 487
Rent, water and electricity		1 052 809	791 005
Salaries and contributions		26 218 858	24 054 916
Staff recruitment, training and development		449 142	364 970
Travel and accommodation		347 252	175 306
		<b>3 617 926</b>	<b>818 363</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(3 617 926)</b>	<b>(818 363)</b>
Transfer to the equipment fund - fund assets		(3 878 940)	(1 489 763)
Transfer from the equipment fund - insurance proceeds		261 014	671 400
<b>COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>General fund MZN</b>	<b>Equipment fund MZN</b>	<b>Total MZN</b>
<b>Balance at 31 December 2020</b>	<b>826 112</b>	<b>5 154 650</b>	<b>5 980 762</b>
Allocation of funds during the year	(671 400)	1 489 763	818 363
Results for the year	818 363	-	818 363
Transfer to equipment fund - funded assets	(1 489 763)	1 489 763	-
Assets damaged during the year	671 400	(392 998)	278 403
Profit from disposal/stolen assets	-	278 403	278 403
Proceeds from disposed/stolen assets	671 400	(671 400)	-
Depreciation for the year	-	(1 412 451)	(1 412 451)
<b>Balance at 31 December 2021</b>	<b>826 112</b>	<b>4 838 964</b>	<b>5 665 076</b>
Allocation of funds during the year	(261 014)	3 878 940	3 617 926
Results for the year	3 617 926	-	3 617 926
Transfer to equipment fund - funded assets	(3 878 940)	3 878 940	-
Assets disposed during the year	261 014	(93 041)	167 972
Profit from disposal/stolen assets	-	167 972	167 972
Proceeds from disposed/stolen assets	261 014	(261 014)	-
Depreciation for the year	-	(1 760 484)	(1 760 484)
<b>Balance at 31 December 2022</b>	<b>826 112</b>	<b>6 864 378</b>	<b>7 690 490</b>

**SOLIDARIDAD SOUTHERN AFRICA NGO  
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**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 31 DECEMBER 2022**

	Note	2021 MZN	2020 MZN
Cash received from Solidaridad - South Africa		65 142 111	46 838 065
Cash (expended)/received from Grantors and other		(2 847 667)	6 917 549
Cash received from Consulting income		2 281 596	-
Cash (expended) on programmes, suppliers and employees		<u>(58 324 828)</u>	<u>(51 090 180)</u>
<b>Cash generated from operations</b>	<b>11</b>	<b>6 251 213</b>	<b>2 665 434</b>
Interest received		-	-
Interest paid		<u>-</u>	<u>-</u>
<b>Net cash inflow from operating activities</b>		<b>6 251 213</b>	<b>2 665 434</b>
<b>Cash flows (utilised in) investing activities</b>		<b>(3 617 926)</b>	<b>(818 363)</b>
Acquisition of equipment	3	<u>(3 878 940)</u>	<u>(1 489 763)</u>
Proceeds from insurance claim		<u>261 014</u>	<u>671 400</u>
<b>Cash flows (utilised in)/generated from financing activities</b>		<b>(5 691 424)</b>	<b>1 715 273</b>
Net (decrease)/increase in amounts from Solidaridad entities		<u>(5 691 424)</u>	<u>1 715 273</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3 058 137)</b>	<b>3 562 345</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>3 683 909</b>	<b>121 565</b>
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<u><b>625 772</b></u>	<u><b>3 683 909</b></u>

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**NOTES TO ANNUAL THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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:

<b>Item</b>	<b>Useful life</b>
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.

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

**1. ACCOUNTING POLICIES (Continued)**

**1.2 Equipment (Continued)**

This is a deviation from IAS 16, which requires that all asset purchases are capitalised and depreciated. This deviation has been resolved by raising an equipment fund as discussed below. (refer to note 1.5)

**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 Equipment fund**

In order that operating reserves reflect assets available to the operations of the organisation, an equipment fund is maintained to separate out the funding of such assets.

The mechanism whereby this fund is maintained at a value equal to the carrying value of such assets in the statement of financial position is that an amount equal to the cost of equipment acquired be charged against operating income each year and credited to the equipment fund.

Depreciation, and profits or losses on disposal are adjusted annually against the fund.

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

**1. ACCOUNTING POLICIES (Continued)**

**1.6 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.

**1.7 Income recognition**

Income from grants is generally brought to account in the period to which it relates.

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

**1.8 Interest income**

Interest is brought to account as and when received.

**1.9 Expenditure recognition**

Expenditure is accounted for on the accrual basis.

**1.10 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.

**1.11 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.

**SOLIDARIDAD SOUTHERN AFRICA NGO  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

**2. FINANCIAL RISK MANAGEMENT**

**2.1 Financial risk factors**

The organisation's activities could expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The organisation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the organisation's financial performance.

Risk management is carried out by the Board of Directors, who evaluate financial risks.

*(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  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022 (Continued)

3. EQUIPMENT

	Computer equipment MZN	Motor vehicle MZN	Office Equipment MZN	Office furniture MZN	Total MZN
<b>31 December 2022</b>					
<b>Net book value at 1/1/2022</b>	<b>568 922</b>	<b>2 055 984</b>	<b>1 947 762</b>	<b>266 296</b>	<b>4 838 964</b>
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)
Additions for the year	115 000	1 721 615	1 540 395	501 930	3 878 940
Disposals for the year	(93 041)	-	-	-	(93 041)
Cost	(245 720)	-	-	-	(245 720)
Accumulated depreciation	152 678	-	-	-	152 678
Depreciation for the year	(244 260)	(786 732)	(636 048)	(93 445)	(1 760 484)
<b>Net book value at 31/12/2022</b>	<b>346 621</b>	<b>2 990 867</b>	<b>2 852 109</b>	<b>674 781</b>	<b>6 864 378</b>
Cost	1 186 051	5 785 165	4 241 311	1 062 613	12 275 141
Accumulated depreciation	(839 430)	(2 794 298)	(1 389 203)	(387 832)	(5 410 762)
<b>31 December 2021</b>					
<b>Net book value at 1/1/2021</b>	<b>509 829</b>	<b>2 821 842</b>	<b>1 482 354</b>	<b>340 625</b>	<b>5 154 650</b>
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)
<b>Net book value at 31/12/2021</b>	<b>568 922</b>	<b>2 055 984</b>	<b>1 947 762</b>	<b>266 296</b>	<b>4 838 964</b>
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)

**SOLIDARIDAD SOUTHERN AFRICA NGO  
MOZAMBIQUE OFFICE**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

	<b>2022</b>	<b>2021</b>
	<b>MZN</b>	<b>MZN</b>
<b>4. ACCOUNTS RECEIVABLE</b>		
Accounts Receivable	-	729 706
Deposits	80 000	-
Other receivables	-	3 627
Travel advances	190 977	1 146 353
	<b>270 977</b>	<b>1 879 686</b>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Standard Bank - Mozambique (MTN)	594 849	3 652 986
Standard Bank - Mozambique (US Dollars)	30 170	30 170
Standard Bank - Mozambique Project bank account	1 064	1 064
Petty cash - local	(310)	(310)
	<b>625 772</b>	<b>3 683 909</b>
<b>6. AMOUNT DUE FROM SOLIDARIDAD ENTITY</b>		
Solidaridad South Africa	<b>5 691 424</b>	-
Funds due from Soildaridad South Africa to cover costs of 2022 accrued at 31 December 2022.		
<b>7. ACCOUNTS PAYABLE</b>		
Creditors	5 572 474	1 401 847
Travel advances	189 586	20 958
	<b>5 762 060</b>	<b>1 422 805</b>
<b>8. DEFERRED INCOME</b>		
Solidaridad South Africa	-	3 314 678
	-	<b>3 314 678</b>

**SOLIDARIDAD SOUTHERN AFRICA NGO  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

	<b>2022</b>	<b>2021</b>
	<b>MZN</b>	<b>MZN</b>
<b>9. GRANT AND CONSULTANCY INCOME</b>		
Food and Agricultural Organisation of the United Nations ("FAO")		
- FAO 078/2019	-	-
Received	-	15 074
Accrued in 2020	-	(15 074)
Food and Agricultural Organisation of the United Nations ("FAO")		
- FAO 066/2020	-	813 977
Received	-	322 459
Deferred to 2021	-	491 518
IDH Sustainable Trade Initiative/Grow Africa		
Received	-	6 494
Accrued in 2020	-	1 797 626
Wageningen University	2 281 596	1 442 711
Received	2 281 596	1 442 711
	<b>2 281 596</b>	<b>2 263 182</b>

**10. 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.

**11. CASH GENERATED FROM OPERATIONS**

Results for the year	3 617 926	818 363
Adjusted for :		
(Decrease)/increase in deferred income	(3 314 678)	2 823 161
Decrease/(increase) in accrued income	-	1 806 206
<b>Results before working capital changes</b>	<b>303 247</b>	<b>5 447 729</b>
<b>Working capital changes</b>	<b>5 947 965</b>	<b>(2 782 295)</b>
Decrease/(increase) in accounts receivable	1 608 710	(1 594 534)
Increase/(decrease) in accounts payable	4 339 256	(1 187 762)
	<b>6 251 213</b>	<b>2 665 434</b>

**SOLIDARIDAD SOUTHERN AFRICA NGO  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

	<b>2022</b>	<b>2021</b>
	<b>MZN</b>	<b>MZN</b>
<b>12. COMMITMENTS</b>		
The organisation has the following commitment in respect of rental agreement covering office premises as follows :		
<b>Operating lease - premises</b>		
Payable within one year	960 000	960 000
Payable thereafter	640 000	1 600 000
	<u><b>1 600 000</b></u>	<u><b>2 560 000</b></u>
<b>13. RELATED PARTIES</b>		
<b>Transfers from other regional offices</b>		
Solidaridad Network - South Africa	<u><b>57 024 672</b></u>	<u><b>41 893 478</b></u>
<b>Expenses paid on behalf from other regional offices</b>		
Solidaridad Network - South Africa	<u><b>8 117 439</b></u>	<u><b>4 944 587</b></u>
<b>Receivable/ due from other regional offices</b>		
Solidaridad Network - South Africa	<u><b>5 691 424</b></u>	<u><b>-</b></u>
<b>Deferred income from other regional offices</b>		
Solidaridad Network - South Africa	<u><b>-</b></u>	<u><b>3 314 678</b></u>
<b>14. GOING CONCERN</b>		
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 2023.		