sadc dfrc

southern african development community development finance resource centre

2022

ANNUAL REPORT

Vision

To be a Centre of Excellence for development finance solutions

Mission

To support Development Finance Institutions and Governments to achieve national and regional development and integration through capacity building, research and advisory services

Content

Profile

Mandate

The Southern African Development Community - Development Finance Resource Centre (SADC-DFRC) is a subsidiary institution of SADC established under the SADC Protocol on Finance and Investment (the FIP). It is collectively 'owned' by the SADC Development Finance Institutions (DFI) Network, also an FIP organisation, with a current membership of forty (40) national DFIs. Through technical and capacity building support, as well as policy research, advocacy and advisory services, our mandate is to promote the effective mobilisation of resources by the financial sector, in particular the DFIs, for investment in key areas with the potential to stimulate sustainable and inclusive growth, generate employment and alleviate poverty, in line with the objectives of SADC under the Revised Regional Indicative Strategic Development Plan (RISDP).

Focal Areas

The Strategic Plan of the DFRC (2019 – 2024) identifies the following key activity areas and sectors:

Capacity Building	Policy Research and Advisory Services	Sectoral Focus
• Training/Skills development • Support to Small, Medium and Micro Enterprise (SMME) Programmes • Support to Public Private Partnerships (PPP)/ Infrastructure Programmes • Other Human Resource Development Services	• Policy, Regulatory and Supervisory Environment for DFIs • Support Financial Inclusion • Enabling Environment for SME, Industrial and Infrastructure Development • Advisory Services, Research and Advocacy on development finance	• Small and Medium-sized Enterprise Development • Industrial Development • Infrastructure Development • Public Private Partnerships • Agriculture sector

Working Approach

The DFRC is a lean organisation manned by a small group of professional staff in key strategic areas in line with its mandate. To effectively deliver on the mandate, therefore, the DFRC has adopted a collaborative approach which involves utilisation of strategic development and technical partners in the selected focal areas. In this regard, the DFRC operates as facilitator and catalyst to DFIs, SADC Member States Governments, State – Owned Enterprises (SOEs) and other key development stakeholders.

Financing of Activities

The DFI Network members finance the bulk of the administrative budget of the DFRC through annual contributions while programme activities are funded through a cost recovery approach coupled with funding from international cooperating partners (ICPs) or donor sources. Technical and strategic partnerships are also leveraged on to support DFRC programme activities.

Reporting Structures

The SADC DFI Sub-Committee, comprising all national DFIs in SADC member countries, is a committee of the SADC Committee of Ministers of Finance and Investment and reports to the Ministers through the Committee of Senior Treasury Officials (STOs). In turn, the Committee of Ministers of Finance and Investment reports to the SADC Council of Ministers through the Integrated Committee of Ministers.

The SADC DFI Network, presently consisting of forty (40) members, all signatories to the establishing memorandum of understanding and are members of the SADC DFI Sub-Committee, has the overall responsibility of the DFRC and supervises it through a Board of Trustees. The Board is appointed by the Network from its membership as constituted under the SADC Protocol on Finance and Investment.

The DFRC has a functional relationship with the SADC Secretariat through the Directorate of Finance, Investment and Customs (FIC) while operational links exist with the other directorates of the SADC Secretariat.

Governance Structure

Shareholders
SADC-DFI Network Members

Chairperson of the SADC DFI Network
Dr Samuel M Bwalya
Managing Director
Development Bank of Zambia

Chairperson of the Board of Trustees
Mr Mohan Vivekanandan
Group Executive, Client Coverage
Development Bank of Southern Africa

Board of Trustees
Nine members, appointed for two-year terms, including two members appointed ex-officio

Audit and Risk Committee
Three members, tenure in line with Board term

Chief Executive Officer
Mr Stuart Kufeni

Board of Trustees

The Board of Trustees provides leadership and oversight to the DFRC and ensures good corporate governance. It approves all policies of the DFRC and ensures sound financial management of the institution, as well as providing strategic direction to Management. The Board interacts directly with the DFI Network and with the policy levels of SADC Governments.

Mr Mohan Vivekanandan
Group Executive - Client Coverage
Development Bank of Southern Africa
Trustee since December 2020
Board Chair

Mr Sadwick Mtonakutha
Director: Finance, Investment and Customs (FIC) Directorate
SADC Secretariat
Trustee since December 2016 (Ex-officio)

Dr Samuel Bwalya
Managing Director
Development Bank of Zambia
Trustee since December 2020 (Ex-officio)
Chairman of the SADC DFI Network

Mr Fredrick Chanza
Acting Managing Director
Export Development Fund of Malawi
Trustee since January 2022
Audit and Risk Committee Chair

Mr Benedict Libanda
Chief Executive Officer
Environmental Investment Fund of Namibia
Trustee since December 2020

Dr Nicolaus Shombe
Managing Director
National Development Corporation – Tanzania
Trustee since January 2022

Mr Thomas Sakala
Chief Executive Officer
Infrastructure Development Bank of Zimbabwe
Trustee since December 2021

Mr Keletsositse Olebile
Chief Executive Officer
Botswana Investment and Trade Centre
Trustee since December 2020

Mr Muzikayise Dube
Chief Executive Officer
Eswatini National Industrial Development Corporation
Trustee since December 2021

Audit and Risk Committee

The DFRC Board presently has one committee, the Audit and Risk Committee that assists the Board in carrying out its functions of providing strategic guidance to the institution, in particular, overseeing the financial reporting and disclosure and the internal controls and risk management systems. The Audit and Risk Committee derives its mandate from the Audit and Risk Charter.

The Audit and Risk Committee is comprised of the following Board members:

Mr Fredrick Chanza
Chair

Mr Keletsositse Olebile

Dr Nicolaus Shombe

Board Chairperson's Statement

Mohan Vivekanandan
Chairperson
Board of Trustees

Compared to the previous period, the year 2021/22 recorded a noteworthy improvement in the operations of the SADC-DFRC. This was largely on account of the improvement in the regional economic situation as the global economy began to recover from the debilitating effects of the Covid-19 pandemic with the relaxation of the attendant socio-economic restrictions, including travel and lockdowns.

The resultant rebound in the global economy, particularly among the developed economies, from an estimated contraction of 3.1% in 2020 to a growth of 6.1% in 2021[1], created a pull factor on emerging and developing economies through increased demand for commodities such as minerals and oil. Consequently, the African Development Bank[2] estimates Africa's gross domestic product (GDP) to have expanded by 6.9% in 2021 compared to a decline of 1.6% in 2020. Riding primarily on the commodity-led recovery, the Southern African region is estimated to have grown by 4.2% in 2021.

As economies in the region and globally emerge out of the Covid-19-induced recession and begin to grow once again, so will the demand for resources to finance important sectors including infrastructure, industrial, agricultural and SMEs development. This places DFIs increasingly at the centre of mobilising financial resources and supporting projects in these sectors to align with the national and regional efforts to make economic growth sustainable.

The SADC-DFRC provides the platform to share information, particularly on projects and thus stimulate

[1]World Economic Outlook, IMF, July 2022
[2]African Economic Outlook, AfDB, 2022

coordinated efforts aimed at raising funds and co-financing of projects within country and across borders. This is the core mandate of the Network for which it was established under SADC.

The improvement in the operations of DFIs enhanced the standing of the DFRC which in the previous year had been facing unusually low contributions from members as they faced financial difficulties brought about by the adverse effects of the pandemic. Consequently, during the year under review, the DFRC cashflow improved and with that, its programme delivery capacity was enhanced.

Retention of membership is crucial if the DFI Network is to achieve its mandated objective of resource mobilisation to support the regional goals of regional integration, sustainable and inclusive economic growth, employment generation and poverty alleviation under the SADC Regional Indicative Strategic Development Plan (RISDP), 2015 – 2030. These goals underpin the DFRC's Five-Year Strategic Plan (2019 – 2024) that places emphasis on infrastructure and industrial (inclusive of SMEs) development as key enablers for regional growth and integration.

In spite of the economic difficulties, I am particularly glad that our Network membership has largely remained intact, while the few DFIs that are still to register significant improvement in their operations, have made efforts to put in place payment plans to extinguish their contribution arrears with the DFRC.

At the same time, it is important that for the membership to remain stable and grow overtime, the DFRC must continue to demonstrate value and remain relevant to its members at all times. This requires that the centre is alive to the needs of stakeholders and keeps a finger on the pulse of the development finance environment to respond and adapt timeously to policy, regulatory, institutional, and other changes that impact DFI investments, resource mobilisation and operations. This is crucial for DFIs to effectively execute and deliver on their developmental goals as mandated by their national governments as well as enhance their contribution to regional goals.

I am also pleased to note that efforts by DFRC to diversify revenue sources from member contributions, such as the expansion of the membership base, particularly in the associate membership category; identification and engagement of strategic partner institutions; and extending services to non-member organisations, among others, are beginning to bear fruit. As a result, the DFRC is in the process of finalising Memoranda of Agreement (MOAs) with some prospective strategic partner organisations, including reputable universities, regional entities and financial institutions while at the same time expanding its pool of high-level facilitators and experts to deliver its training programmes, consultancy and advisory services.

The improvement in the DFRC cashflow position, coupled with own resources generated mainly through fees collected from training programmes and prudent expenditure restraint which included a freeze on salaries and non-renewal of contracts, enabled the DFRC to sustain its operations during the year under review. Notwithstanding the expenditure cuts, the centre performed even better than the previous year registering more programmes delivered and commensurately higher numbers of participants, both from member DFIs as well as non-member organisations.

I am therefore pleased to report that the DFRC had a clean audit for Financial Year 2021/22 and was found to be financially viable as a going concern. Reflecting an improvement in the financial position, the centre recorded a surplus of $200,143 in the current financial year compared to a lower surplus of $77,374 in financial year 2020/21.

Going forward, and with only a year left under the current Five-Year Strategic Plan (2019/23), it is critical that the DFRC consolidates the improving post-Covid-19 performance. This, of course, requires that the DFRC becomes financially sustainable and will call for aggressive resource mobilisation efforts with the involvement of strategic partners, international cooperating partners (ICPs), the DFI Network members and other development finance stakeholders.

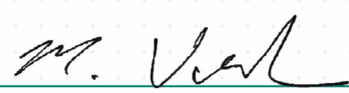
Under these circumstances, a well-structured and robust resource mobilisation strategy would be indispensable. It is, therefore, pleasing that the DFRC, as part of its key strategic initiatives for FY2022/23, has engaged consultants to review and redesign the current strategy for the centre. The resource mobilisation strategy will be supported by other ongoing plans aimed at improving stakeholder and strategic partnership engagements as well as a human resources management plan aimed at ensuring staff retention and that the centre has all the requisite skills to support its mandated activities.

During the course of the financial year under review, due to the expiration of his term, the Board lost one member, Mr Henda Esandju Nicolau da Silva Ingles, the Chairman of the Board. I would like, on behalf of the Board, to express our sincere gratitude to Mr Ingles for his valuable contribution and his good stewardship under these difficult times for the centre. The Board also welcomed two new members, Mr Thomas Sakala, Chief Executive Officer of the Infrastructure Development Bank of Zimbabwe and Mr Muzikayise Dube, Managing Director, Eswatini National Industrial Development Corporation. We welcome them and look forward to working with them and to benefit from their extensive experience.

Looking forward, the role and footprint of the Network and its secretariat, the DFRC, will continue to grow, promoting the collaboration among members through such structures as the sectoral Social Development Goals (SDGs) Working Groups, as well as ensuring that members have strong governance structures and a good skills base to rely on. While the Covid-19 scourge is not fully behind us, I am hopeful that, with the continuing support of the mother body, the SADC Secretariat, and other stakeholders, the DFRC and the DFI Network remain important SADC structures for the achievement of the goal of regional economic integration.

In this regard, the participation of the DFRC at various committees of the SADC Secretariat, including the Financial Inclusion Strategy, the Review of the Protocol on Finance and Investment (the FIP) and the Operationalisation of the Regional Development Fund, to mention some, is welcome as it ensures the DFI Network and member DFIs are well grounded within SADC development finance structures.

Last but not least, I would like to take this opportunity to thank the management and staff of the DFRC for their hard work and commitment to deliver on the institutional mandate in spite of the difficult economic environment and financial challenges.



Mohan Vivekanandan
Chairperson
Board Of Trustees

Management

The Management Team is responsible for the execution of strategy and day-to-day management of the institution. The team comprises the following:

Mr Stuart Kufeni
Chief Executive Officer

Ms Veronica Kgakge
Finance and Administration Manager

Staff

Chief Executive Officer's Statement

Stuart Kufeni
Chief Executive Officer

Financial Year 2021 - 2022, albeit an improvement on the previous one that bore the full brunt of the Covid-19 adverse effects, continued to be characterised by financial difficulties for the DFRC that negatively impacted programme delivery capacity.

During the year 2021, as the Covid-19 threat receded and governments began to unwind the fiscal and monetary measures put in place to circumvent the negative socio-economic effects of the pandemic, the global economy and indeed regional countries, began to experience positive growth. With the turnaround in the global economy, spurred largely by increased demand for commodities in the developed countries, member DFI operations and financial performance also improved as they were called upon to support the growth.

Some DFIs, faced with declining profitability with the onset of the pandemic in 2020, experienced severe liquidity difficulties. Consequently, this adversely affected the cashflows of the DFRC as they failed to meet their contributions obligations. Thus, the turnaround in financial performance in 2021, though partial, led to an improvement in the cashflows of the DFRC. This enabled the centre to meet the growing demand for its capacity building services from members and non-DFI entities, including government departments and state – owned enterprises, among others.

Consequently, partly reflecting improved income flows, the DFRC performance in FY2021/22 surpassed that of the previous year. A total of thirty-one (31) programmes were delivered during the course of the financial year under review, well above the previous year's twenty-three (23) programmes. In terms of participation, FY2021/22 recorded eight hundred and seventy-two (872) attendees which compares with six hundred fifty-nine (659) for FY2020/21.

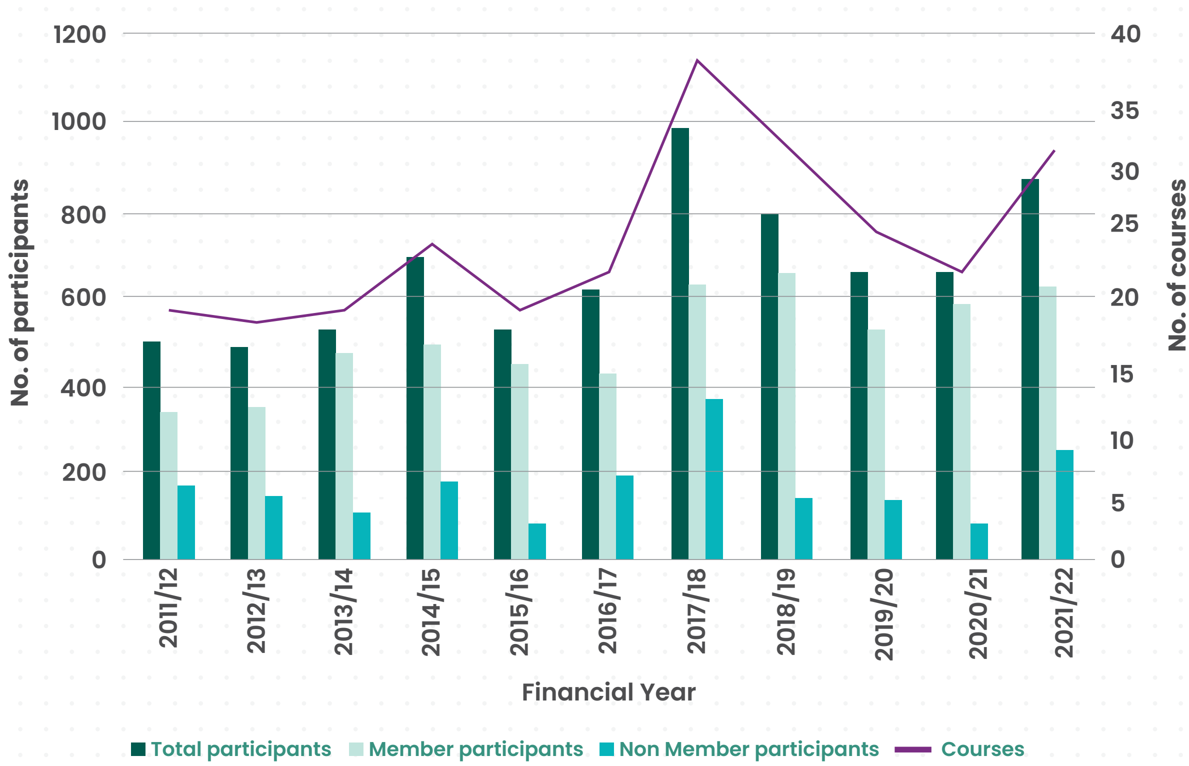
The high levels of programmes and participation were also the outcome of ongoing efforts by DFRC to build new and exploit existing strategic partnerships to spread its footprint beyond DFI Network members and to leverage resources to supplement its own. These partnerships are normally effected through the means of memoranda of agreement (MOA). Utilising these MOAs, during FY2021/22 capacity building programme, the DFRC collaborated with the SADC Centre for Renewable Energy and Energy Efficiency (SACREEE) to conduct four (4) workshops targeted at SMEs entrepreneurs in the critical sector of renewable energy. Further workshops are lined up for the forthcoming year.

DFRC also has an MOA with the Social Development Goals Centre for Africa (SDGC/A). Riding on this agreement, the two organisations collaborated to deliver a well-received Chief Executives Forum in December 2021 on the theme *"DFI Rejuvenation for Increased Investment Towards Implementation of SDGs in a Covid-19 Era".*

In view of the scarce resources available to it, the DFRC intends to identify and increasingly utilise such partnerships as an integral part of its strategy for resource mobilisation efforts in addition to providing fora for cross-sharing of knowledge and information.

Chart 1 below provides a comparative analysis of DFRC programme performance since 2011/12 and not only the number of programmes undertaken but also participation broken down between member and non-member institutions.

Chart 1: Programmes and Participation Trends



Clearly illustrated is the post-Covid-19 uptrend in DFRC programmes and this growth is anticipated to be sustained into FY2022/23 and beyond, with a growing bias towards non-member participation.

On the advisory services front, it is pleasing to note that efforts by DFRC to promote best practice governance, operational and financial standards among the Network DFI membership continue to bear fruit as more DFIs continue to participate and excel at the Association of African Development Finance Institutions (AADFI) – sponsored Prudential Standards, Guidelines and Rating System (PSGRS). During 2021, thirty-one (31) development finance institutions participated in the PSGRS survey and of these eighteen (18) were accorded the Table of Honour status having scored 90% (A) and above. Of the thirteen, six (6) or 33% were members of the SADC DFI Network. DFRC will continue to encourage the Network membership to participate in the PSGRS survey and peer reviews as this improves their creditworthiness.

As developed countries and regional economies continue to unwind the COVID-19 protocols, including restrictions on travel and economies begin to grow, commensurately development finance institutions operations will benefit from the rebound. Consequently, as DFI financial performance improves and so will the capacity of the members to meet financial obligations to the DFRC. However, this should not detract the DFRC from efforts to diversify its financing sources, a critical pillar of its Five-Year Strategic Plan (2019-2024), away from member contributions.

This will be the overriding objective of the Resource Mobilisation Strategy which the DFRC will be embarking on in FY2022/23.

With the strategy in place and the requisite lost skills recouped, coupled with the continued support of the DFI Network members, the SADC Secretariat, international cooperating partners, strategic partners and other development stakeholders, the DFRC will be on a sustainable growth path.

Stuart Kufeni
Chief Executive Officer

Programmes For Financial Year 2021/2022

The DFRC interventions aimed at enhancing skills of the DFI Network members and other stakeholders, including governments and state-owned enterprises, through training and development programmes, technical assistance, secondments and attachments as well as policy research and advisory services, continue to grow with each ensuing year.

A total of thirty-one (31) programme activities was undertaken during the year, well above the annual target level. In terms of participation, eight hundred and seventy two (872) attended the programmes which compares with six hundred and fifty nine (659) in financial year 2020/21.

Table 1 below is a summary of the key features of the programme delivery in the year under review. These include objectives, programme evaluations and attendance. The standard of performance of programmes has remained consistently high.

Table 1: Capacity Building Programmes

No	Programmes	Objective	Dates	Attendance	Evaluation Index
1	Corporate Governance for BSB	To raise awareness of the concept, practice and relevance of good corporate governance in the context of development finance institutions and the challenges they face	7th – 9th April 2021	13	N/A
2	Virtual Etiquette	To enhance participant's ability to make effective decisions about leading and participating in virtual work structures	9th April 2021	42	N/A
3	Technical Session for Prudential Standards Guidelines and Rating System **(PSGRS)** Implementation Focal Persons in DFI's - 2021	To update knowledge on recent development in the application of the PSGRS and review performance of DFIs. Build capacity on PSGRS assessment. Develop PSGRS compliance management strategy. Discuss intervention mechanism to support institutions on areas of weaknesses based on the PSGRS self-assessment	27th – 28th April 2021	84	N/A
4	Stress Management	To enhance control of levels of stress and improve everyday functioning of staff. To reduce workplace stress	5th – 6th May 2021	20	89.5
5	Fraud, Anti Money Laundering and Cyber Crime	To give an overview of the extent of fraud, its causes and effects. To provide insight into money laundering, and cybercrime activities and the impact of money laundering on economic and social activities of the country	19th – 21st May 2021	34	N/A
6	Agro Value Chain for Agribank Namibia	To understand value chain concepts and competitiveness and be able to assess risks and identify strategic opportunities to strengthen value chains	8th – 9th June 2021	4	84.4

No	Programmes	Objective	Dates	Attendance	Evaluation Index
7	Wealth and Investment Management	To assist participants manage their investments, ensuring each client portfolio is aligned to meet their unique objectives	10th – 11th June 2021	20	90.2
8	Emotional Intelligence and People Skills	To assist increase in personal and people's skills: self-awareness and self-management of personal emotions	28th – 29th June 2021	23	86.3
9	CEO's Forum	To reach out to DFIs and expose them to the opportunities of funding available for development projects	23rd June 2021	89	88.7
10	Blended Finance (Resource Mobilisation and Risk Mitigation)	To give an understanding of what blended finance is and how it can be used for risk mitigation and portfolio diversification as well as how DFIs can mobilize resources	29th July 2021	22	N/A
11	Monitoring and Evaluation	To gain a broad understanding of monitoring and learn best practice framework for monitoring and evaluation	11th – 13th August 2021	27	79.4
12	Executive Secretarial Skills	To strengthen knowledge of computer operations, communication skills, organization abilities, people management and strong administrative support	18th – 20th August 2021	35	85.3
13	Team Management **(SACREEE)**	To increase understanding of team dynamics and stages of team development, recognize the challenges and barriers to effective teamwork	31st August - 2nd September 2021	14	N/A
14	Record Keeping and Preparation of Financial Reports **(SACREEE)**	To equip entrepreneurs with basic skills on bookkeeping with particular attention given to discussions on the cash flows, how to prepare an income statement, balance sheet and understanding the concept of a transaction	7th – 9th September 2021	21	N/A
15	Project Appraisal	To develop skills to plan and assess investment projects, redesign projects to add value, prepare project financing agreement and address stakeholders' concerns	14th – 16th September 2021	31	85.3
16	Renewable Energy Marketing **(SACREEE)**	Aimed at assisting participants in mastering the principles and techniques of project development, marketing and management	21st – 22nd September 2021	15	N/A
17	Business Plan Development **(SACREEE)**	To equip entrepreneurs with skills on a viable business plan development	27th – 30th September 2021	14	N/A
18	Stress Management for Agribank Namibia	To enhance the participant's understanding of stress enablers and signs and equip them with the ability to cope in uncertain and stressful environments to ensure they remain productive in their work	11th – 12th October 2021	11	91.5
19	Development of Business Value Chain Round Table Discussion	To equip participants with the role of development finance institution in the development of value chains, enabling policies and laws for the development of value chains in the region as well as Identifying challenges and solutions in the development of value chains in SADC region	28th September 2021	52	N/A

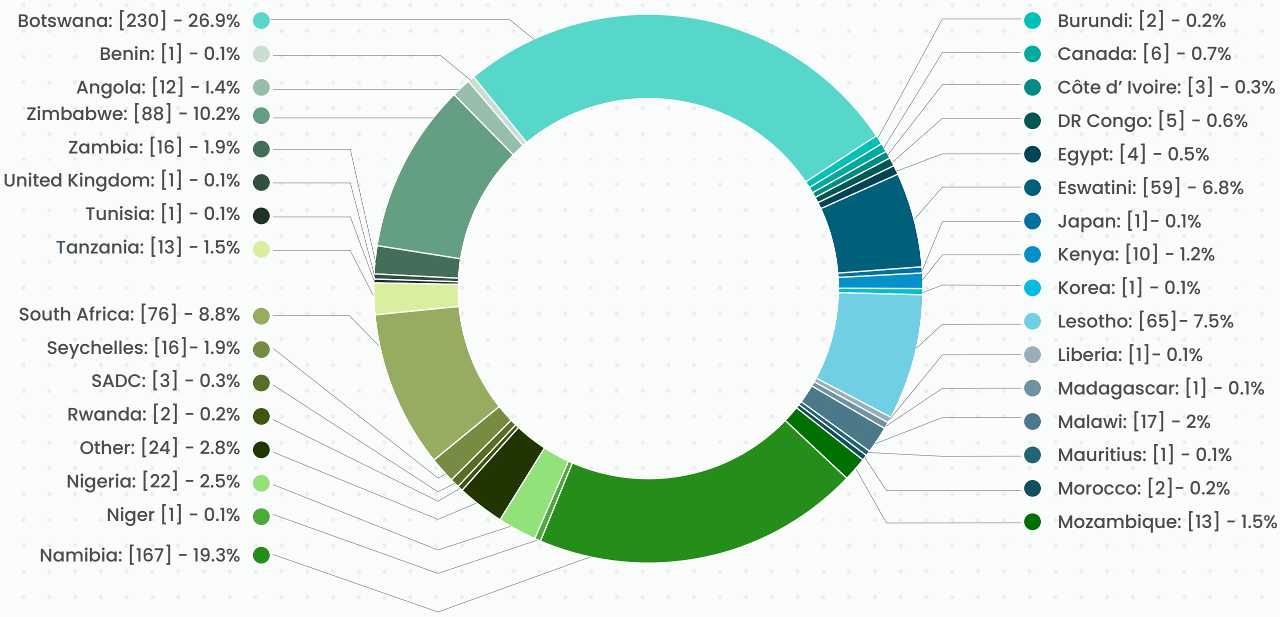
No	Programmes	Objective	Dates	Attendance	Evaluation Index
20	Capacity Building Review and Coaching	Consultative conference to review capacity building efforts, emerging new skills needs and the enhancement of communication skills and mentoring	2nd – 3rd November 2021	16	89.6
21	Board Induction for BSB	To raise awareness of the concept, practice and relevance of good corporate governance	16th November 2021	13	89.7
22	Environmental and Social Sustainability	To discuss the adaption and integration of precautionary environmental and social principles and considerations into decision making processes	23rd – 24th November 2021	34	85
23	Board Induction for NDB	To raise awareness of the concept, practice and relevance of good corporate governance	29th – 30th November 2021	14	89.3
24	Change Management for CEDA	To assist participants to execute strategy to deliver change via Establishing a Culture of Innovation, principles for change, best practices for innovation, develop change leaders, identify change accountability and responsibility	29th - 30th November 2021	41	86.1
25	CEO's Forum	The objective of the Forum was to evaluate performance of implementation of SDGs in Africa and the Southern Africa region in particular vis-a-vis the set UN SDG goals of 2015 and against the background of the devastating effects of the Covid-19 pandemic	1st Dec - 9th December 2021	60	89.8
26	Board Evaluation for Botswana Savings Bank	To raise awareness of the concept, principles of corporate governance, Information and Technology Governance, Review of Committee Charters and Board Performance Evaluation	27th February – 1st March 2022	14	86.1
27	International Financial Reporting Standards **(IFRS)** Updates	The programme aimed at providing a clear understanding on the global accounting standards especially relevant to the development finance banking industry with a special focus on IFRS 7, 9 and 17	22nd – 24th February 2022	42	85.8
28	Project Management for LNDC	Provided an introduction to the essentials of Project Management based on the very latest version of A Guide to the Project Management Body of Knowledge (PMBOK 7th Edition, 2021)	21st – 23rd March 2022	19	89.3
29	Basel II, III & IFRS9 for BSB	To equip participants with a detailed understanding of the latest IFRS 9 standard and Basel II/III	23rd – 24th March 2022	14	96.3
30	Project Management for LNDC	To equip participants with a detailed understanding of the latest IFRS 9 standard and Basel II/III	23rd – 25th March 2022	13	91.8
31	Integrated Reporting for LNDC	Assisted LNDC to be able to communicate concisely about their strategies, governance issues, performance, and prospects in its operating environment, to create value in the short, medium, and long term	28th – 29th March 2022	24	87.7

NB: Collaborated programmes 3, 13, 14, 16 and 17 were not evaluated nor captured on other tables and charts. Programmes 1, 2, 3, 5,10, 13,14, 16, 17 and 18 were not evaluated but captured on tables and charts.

Participation by Country

Chart 2 below illustrates participation by countries and it highlights Botswana as having the highest number of participants with a share of 26.9% followed by Namibia with 19.3%. The high level of participation by Botswana largely reflects increased recourse to institution–specific programmes.

Chart 2: Country Participation



Participation by Institutions

Participation by individual DFI's has been varied and some have made substantial use of the training services through country and institution-based programmes. The DFRC, in line with its strategic plan goals, has been actively engaging with individual DFIs to develop and implement customised programmes.

Table 2 below shows participation levels by Member DFIs.

Table 2: Participation by Member DFI

No	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
1.	AFC Holdings	Zimbabwe	12	1.9	7	58.3	5	41.7
2.	Agricultural Bank of Namibia **(AGRIBANK)**	Namibia	33	5.3	13	39.4	20	60.6
3.	Banco de Desenvolvimento de Angola **(BDA)**	Angola	11	1.8	7	63.6	4	36.4
4.	Banco Sol	Angola	1	0.2	1	100	0	0
5.	Basotho Enterprises Development Corporation **(BEDCO)**	Lesotho	1	0.2	0	0	1	100
6.	Botswana Development Corporation **(BDC)**	Botswana	12	1.9	1	8.3	11	91.7
7.	Botswana Housing Corporation **(BHC)**	Botswana	8	1.3	2	25	6	75

No	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
8.	Botswana Investment and Trade Centre **(BITC)**	Botswana	4	0.6	1	25	3	75
9.	Botswana Savings Bank **(BSB)**	Botswana	61	9.8	37	60.7	24	39.3
10.	Citizen Entrepreneurial Development Agency **(CEDA)**	Botswana	49	7.9	25	51	24	49
11.	Development Bank of Mauritius **(DBM)**	Mauritius	1	0.2	1	100	0	0
12.	Development Bank of Namibia **(DBN)**	Namibia	35	5.6	17	48.6	18	51.4
13.	Development Bank of Seychelles **(DBS)**	Seychelles	16	2.6	1	6.3	15	93.8
14.	Development Bank of Southern Africa **(DBSA)**	South Africa	39	6.3	17	43.6	22	56.4
15.	Development Bank of Zambia **(DBZ)**	Zambia	8	1.3	6	75	2	25
16.	Environmental Investment Fund of Namibia **(EIF)**	Namibia	10	1.6	6	60	4	40
17.	Eswatini Development and Savings Bank **(ESWATINI BANK)**	Eswatini	33	5.3	11	33.3	22	66.7
18.	Eswatini Development Finance Corporation **(FINCORP)**	Eswatini	7	1.1	7	100	0	0
19.	Eswatini Housing Board **(EHB)**	Eswatini	2	0.3	0	0	2	100
20.	Eswatini National Industrial Development Corporation **(ENIDC)**	Eswatini	2	0.3	1	50	1	50
21.	Export Development Fund **(EDF)**	Malawi	9	1.4	9	100	0	0
22.	Gapi-Sociedade de Investimentos **(GAPI-SI)**	Mozambique	13	2.1	8	61.5	5	38.5
23.	Industrial Development Company of Eswatini **(IDCE)**	Eswatini	14	2.2	1	7.1	13	92.9
24.	Industrial Development Corporation **(IDC)**	South Africa	6	1	2	33.3	4	66.7
25.	Industrial Development Corporation of Zimbabwe **(IDCZ)**	Zimbabwe	18	2.9	10	55.6	8	44.4
26.	Infrastructure Development Bank of Zimbabwe **(IDBZ)**	Zimbabwe	7	1.1	4	57.1	3	42.9
27.	Land and Agricultural Development Bank **(LANDBANK)**	South Africa	1	0.2	1	100	0	0
28.	Lesotho National Development Corporation **(LNDC)**	Lesotho	64	10.3	31	48.4	33	51.6
29.	Local Enterprise Authority **(LEA)**	Botswana	37	5.9	17	45.9	20	54.1
30.	National Development Bank **(NDB)**	Botswana	44	7.1	17	38.6	27	61.4
31.	National Housing Enterprise **(NHE)**	Namibia	13	2.1	6	46.2	7	53.8
32.	NORSAD Capital	Botswana	2	0.3	2	100	0	0
33.	Small and Medium Enterprises Development Corporation **(SMEDCO)**	Zimbabwe	39	6.3	21	53.8	18	46.2
34.	Societe Financiere de Developpment **(SOFIDE)**	DR Congo	2	0.3	2	100	0	0
35.	Societe Nationale de Participations **(SONAPAR)**	Madagascar	1	0.2	1	100	0	0
36.	Tanzania Agricultural Development Bank **(TADB)**	Tanzania	6	1	3	50	3	50
37.	TIB Development Bank **(TIB)**	Tanzania	3	0.5	3	100	0	0
	Total		**624**	**100%**	**299**	**47.9%**	**325**	**52.1%**

Participation by Non-Members

Non-Members attendance is impressive largely due to the involvement of state-owned enterprises. Non-members came on board due to the value of programmes the DFRC offers.

Table 3 and Chart 3 below summarise participation by non-members of the DFI Network.

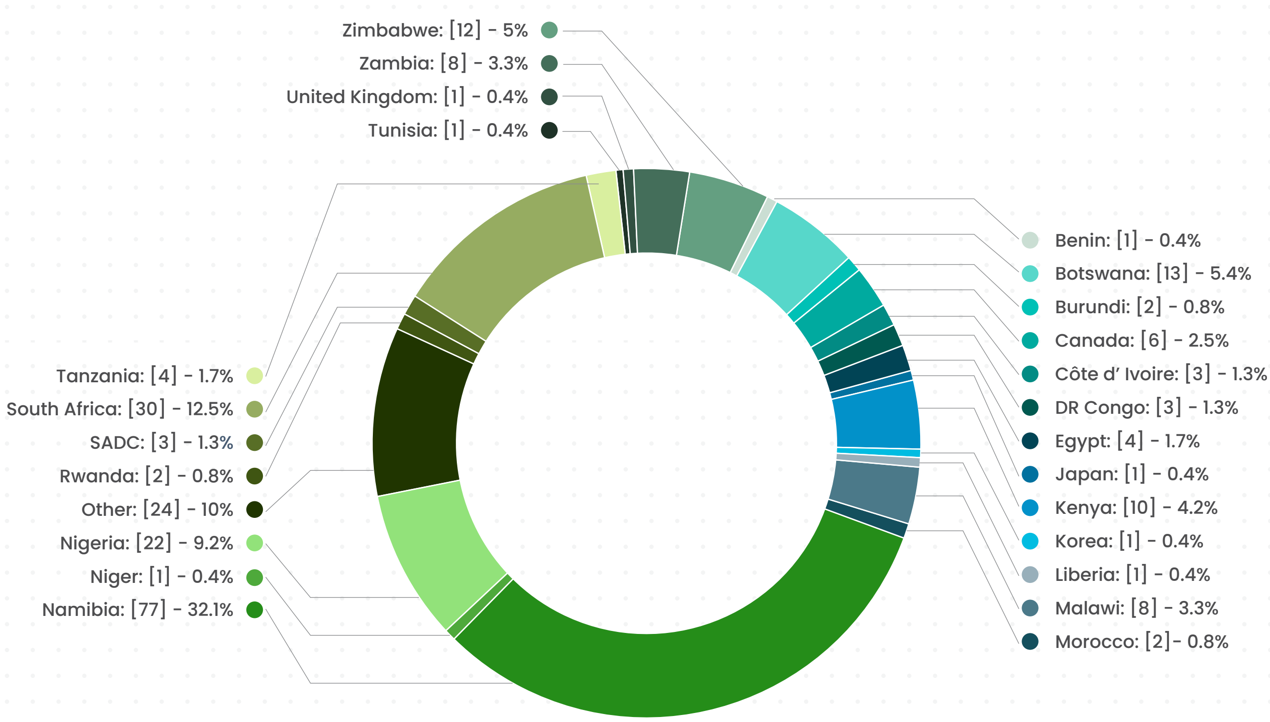
Table 3: Participation by Non-Member Institutions

No	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
1.	ABSA **(RSA)**	South Africa	1	0.4	0	0	1	100
2.	Africa - U.S. International Development Finance Corporation	United States of America	1	0.4	0	0	1	100
3.	Africa CDC	Ethiopia	1	0.4	1	100	0	0
4.	Africa Infrastructure Investment Managers	South Africa	1	0.4	1	100	0	0
5.	African Development Bank	South Africa	4	1.6	2	50	2	50
6.	African Export-Import Bank **(Afreximbank)**	Egypt	4	1.6	3	75	1	25
7.	Agile Capital	South Africa	1	0.4	1	100	0	0
8.	Agricultural Development Bank of Ghana **(ADB)**	Ghana	1	0.4	1	100	0	0
9.	Agricultural Finance Corporation **(AFC)**	Kenya	2	0.8	2	100	0	0
10.	ARM-Harth Infrastructure Investment Limited	Nigeria	1	0.4	0	0	1	100
11.	Association of African Development Finance Institutions **(AADFI)**	Cote d' Ivoire	1	0.4	1	100	0	0
12.	Bank of Agriculture **(BOA-NG)**	Nigeria	2	0.8	2	100	0	0
13.	Bank of Industry Ltd **(BOI)**	Nigeria	9	3.6	6	66.7	3	33.3
14.	Bank of Tanzania **(BOT)**	Tanzania	4	1.6	3	75	1	25
15.	Bankers Asociation of Zambia	Zambia	1	0.4	1	100	0	0
16.	Banque de Développement des Comores **(BDC)**	Comoros	1	0.4	1	100	0	0
17.	Banque de Développement des Etats de l'Afrique Centrale **(BDEAC)**	DR Congo	1	0.4	0	0	1	100
18.	Banque de Développement des Etats des Grands Lacs **(BDEGL)**	Rwanda	1	0.4	1	100	0	0
19.	Banque Maghrébine d' Investissement et de Commerce Extérieur **(BMICE)**	Tunisia	1	0.4	1	100	0	0
20.	Banque National Pour to Developpement Economique **(BNDE)**	Senegal	1	0.4	1	100	0	0
21.	Banque Nationale d' Investissement **(BNI)**	Cote d' Ivoire	1	0.4	1	100	0	0
22.	Caisse Nationale do Crédit Agricole du Senegal **(CNCAS)**	Senegal	1	0.4	1	100	0	0
23.	Climate Fund Managers	South Africa	1	0.4	1	100	0	0
24.	Compagnie Africaine des Wagons-Lits	South Africa	1	0.4	1	100	0	0
25.	Convergence - Blending Global Finance	Canada	6	2.4	1	16.7	5	83.3
26.	East and Southern Africa - GuarantCo	Kenya	1	0.4	0	0	1	100
27.	Eskom Pension and Provident Fund	South Africa	1	0.4	1	100	0	0

No	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
28.	Fondes de Promotion de L'industrie **(FPI)**	DR Congo	1	0.4	1	100	0	0
29.	Fonds Africain de Garantie et de Cooperation Economique **(FAGACE)**	Benin	1	0.4	1	100	0	0
30.	Fonds de Solidarité Africain **(FSA)**	Niger	1	0.4	0	0	1	100
31.	GEF Africa Growth Fund	United States of America	1	0.4	1	100	0	0
32.	Golden City Solar	South Africa	1	0.4	1	100	0	0
33.	Green Climate Fund	International	1	0.4	1	100	0	0
34.	Imbewu Capital Partners	South Africa	1	0.4	1	100	0	0
35.	Independent Participant	Botswana	1	0.4	1	100	0	0
36.	Industrial and Commercial Development Corporation **(ICDC)**	Kenya	2	0.8	1	50	1	50
37.	Infrastructure Fund	South Africa	2	0.8	0	0	2	100
38.	International Islamic Trade Corporation	Burundi	1	0.4	1	100	0	0
39.	Japan International Cooperation Agency **(JICA)** Japan	Japan	1	0.4	1	100	0	0
40.	JICA - South Africa	South Africa	3	1.2	2	66.7	1	33.3
41.	JICA Botswana	Botswana	1	0.4	1	100	0	0
42.	Jupiter Consulting	Botswana	1	0.4	1	100	0	0
43.	Kenya Industrial Estates **(KIE)**	Kenya	2	0.8	2	100	0	0
44.	Libertan Bank for Dev. & Investment **(LBDI)**	Liberia	1	0.4	1	100	0	0
45.	Local Authorities Supernatural Fund **(Pension Fund)**	Zambia	1	0.4	1	100	0	0
46.	Macroeconomic and Financial Management Institute of Eastern and Southern Africa **(MEFMI)**	Zimbabwe	4	1.6	4	100	0	0
47.	Malawi Agriculture and Industrial Investment Corporation **(MAIIC)**	Malawi	3	1.2	3	100	0	0
48.	Malawi Confederation of Chambers of Commerce and Industry **(MCCCI)**	Malawi	2	0.8	2	100	0	0
49.	Malawi Investment and Trade Centre **(MITC)**	Malawi	1	0.4	1	100	0	0
50.	Malawi Revenue Authority	Malawi	1	0.4	1	100	0	0
51.	Ministry of Finance -ZW	Zimbabwe	1	0.4	1	100	0	0
52.	Ministry of Foreign Affairs -ZW	Zimbabwe	1	0.4	1	100	0	0
53.	Ministry of Industrialization, Trade and SME Development - NA	Namibia	2	0.8	1	50	1	50
54.	Mtimkulu & Madungandaba Attorneys	South Africa	1	0.4	1	100	0	0
55.	Nala Growth (Pty) Ltd	South Africa	1	0.4	0	0	1	100
56.	National Bank of Malawi	Malawi	1	0.4	1	100	0	0
57.	Nigerian Export - Import Bank**(NEXIMBANK)**	Nigeria	9	3.6	8	88.9	1	11.1
58.	Other	International	13	5.2	10	76.9	3	23.1
59.	Reserve Bank of Zimbabwe	Zimbabwe	5	2	5	100	0	0

No	Organisational Name	Country	Attendance	%Attend	M	%M	F	%F
60.	SADC Centre for Renewable Energy and Energy Efficiency **(SACREEE)**	Namibia	67	27	40	59.7	27	40.3
61.	SADC Development Finance Resource Center **(SADC-DFRC)**	SADC	19	7.7	10	52.6	9	47.4
62.	SADC Secretariat	SADC	9	3.6	7	77.8	2	22.2
63.	SDIP Africa Hub	South Africa	1	0.4	1	100	0	0
64.	Shelter Afrique	Kenya	2	0.8	2	100	0	0
65.	Shumba Energy/City of Johannesburg	Botswana	1	0.4	1	100	0	0
66.	Southern African Customs Union	Namibia	5	2	4	80	1	20
67.	Standard Bank Group	South Africa	1	0.4	1	100	0	0
68.	Stanlib	South Africa	1	0.4	1	100	0	0
69.	Sustainable Development Goals Centre for Africa	Zambia	8	3.2	7	87.5	1	12.5
70.	Tamwil El Fellah	Morocco	1	0.4	1	100	0	0
71.	The Infrastructure Bank Plc	Nigeria	1	0.4	1	100	0	0
72.	The Namibia Investment Promotion and Development Board **(NIPDB)**	Namibia	1	0.4	1	100	0	0
73.	Tourism Finance Corporation **(TFC)**	Kenya	1	0.4	1	100	0	0
74.	Trade and Development Bank **(TDB)**	Kenya	2	0.8	0	0	2	100
75.	University of Cape Town	South Africa	1	0.4	1	100	0	0
76.	University of Namibia	Namibia	1	0.4	1	100	0	0
77.	University of Stellenbosch Business School	South Africa	6	2.4	3	50	3	50
78.	Zimpost	Zimbabwe	1	0.4	1	100	0	0
	Total		**248**	**100%**	**175**	**70.6%**	**73**	**29.4%**

Chart 3: Non-Member Participation by Country



Participation by Gender

The 2021/22 financial year registered an increase in terms of total participation by females as illustrated in charts 4, 5 and 6 below. Female participation is at 45.6% compared with 54.4% in the previous year.

Chart 4: Participation by Gender

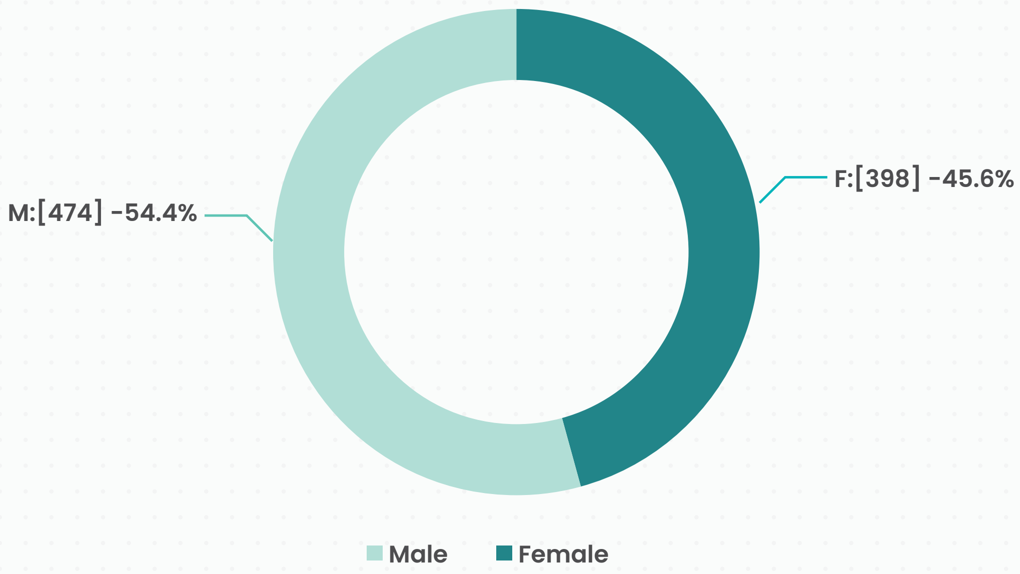


Chart 5: Gender Participation Trends

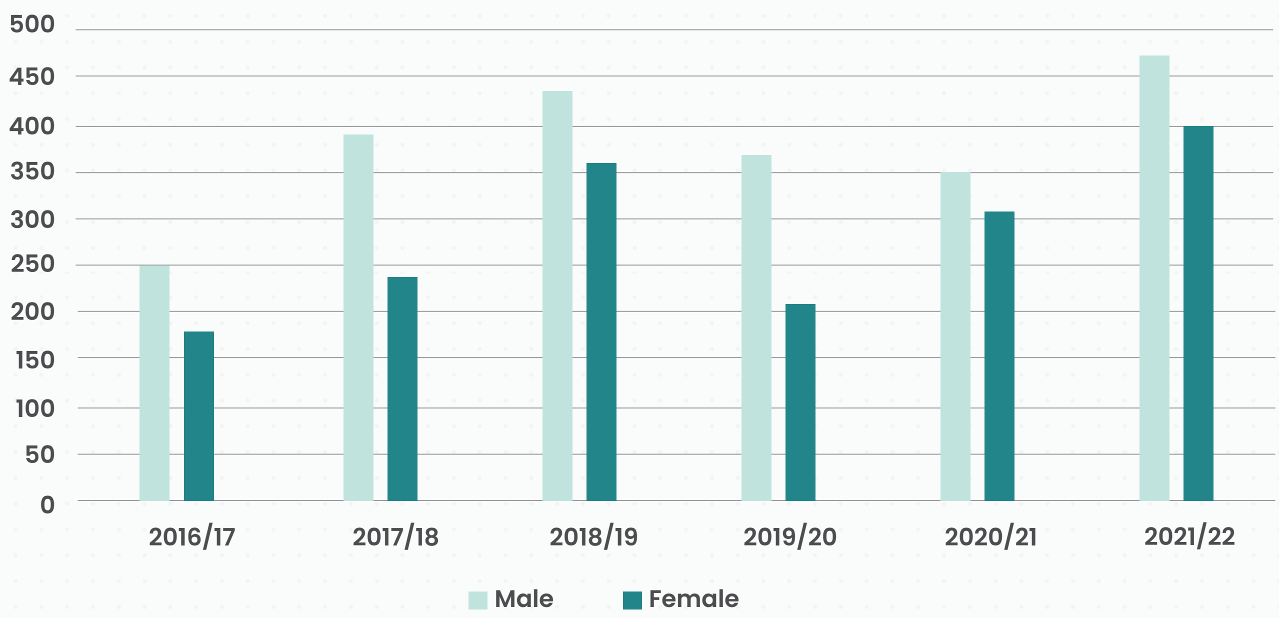
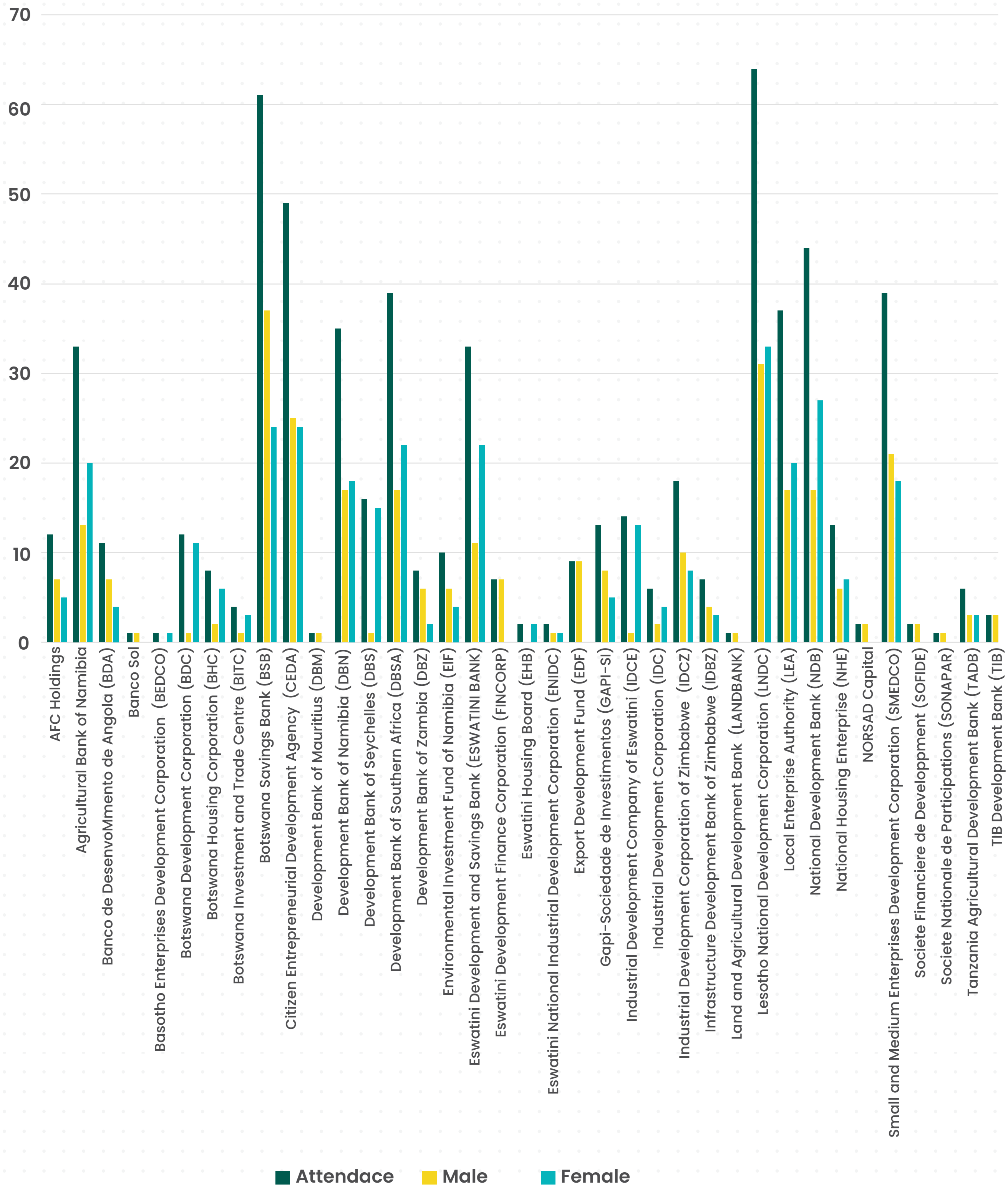


Chart 6: Participation by DFI and Gender



Policy Research and Advisory Services

The policy research and advisory programme supports financial sector strengthening and capital markets development and deepening. The objective is to influence effective policy and regulatory changes, particularly as they relate to the DFI operational environment, so as to enhance the efficient mobilisation of resources to support investment. Work by DFRC on this front continues to be dominated by the implementation of the Prudential Standards, Guidelines and Rating System (PSGRS) under the Association of African Development Finance Institutions (AADFI). The DFRC partnered with AADFI to manage the PSGRS process among its member DFIs in the SADC region.

Prudential Standards and Guidelines Rating System (PSGRS) Survey for 2021

In the 2021 PSGRS survey, the AADFI had thirty-one (31) institutions participating. From the thirty-one institutions who participated, eighteen (18) were highly rated on compliance with 91%, and a rating index of AA. Six (6) of these are members of the DFI Network, with the Botswana Development Corporation (BDC) ranked the highest performing institution in the region followed by Gapi Sarl Mozambique.

The eighteen (18) institutions were accorded the recognition of being listed in the Table of Honour of the year as shown in Table 4 below.

Table 4: Table of Honour

Bank of Industry Ltd., Nigeria	94	A+
Banque de Développement des Etats des Grands Lacs, D. R. Congo	88	CC
Banque de Développement des Etats de l' Afrique Centrale, Congo	90	BB
Banque Maghrebine d' Investissement et de Commerce Exterieur, Tunisia	86	B+
Banque Nationale de Développement Economique, Burundi	95	C
Banque Nationale d' Investissement de Côte d'Ivoire	88	B+
Botswana Development Corporation Limited, Botswana	91	BB
Development Bank of Namibia Ltd, Namibia	82	BB
Development Bank of Nigeria	95	A
Development Bank of Rwanda	94	BB
Development Bank of Southern Africa	87	AA
Gapi-SI, Mozambique	91	B+
Groupe Credit Agricole du Morocco	99	A
Industrial Development Corporation of South Africa	87	AA
Infrastructure Development Bank of Zimbabwe	88	B+
Tamwil El Fellah, Morocco	97	B
Trade and Development Bank, Kenya	96	A
Uganda Development Bank Limited, Uganda	92	A

Below is the table of compliance which shows all the DFIs which participated in the 2021 Peer Review. The DFIs are listed in alphabetical order.

Table 5: **PSGRS Compliance for 2021**

Institutions	Compliance Indexes
Agricultural Bank of Namibia	82
AFC Holdings, Zimbabwe	84
Banco de Desinvolvimento de Angola	88
Bank of Industry Ltd, Nigeria	94
Banque de Développement des États de l'Afrique Centrale, DRC	90
Banque de Développement des États des Grands Lacs, Congo	88
Banque Magrébine d' Investissement et de Commerce Extérieur, Tunisia	86
Banque Nationale de Développement Economique, Burundi	95
Banque Nationale d' Investissement de Côte d' Ivoire	88
Botswana Development Corporation	91
Caisse des Dépôts et Consignations du Bénin	65
Citizen Entrepreneurial Development Agency, Botswana	83
Development Bank of Namibia	82
Development Bank of Nigeria	95
Development Bank of Rwanda	94
Development Bank of Southern Africa	87
Development Bank of Seychelles	75
East Africa Development Bank (EADB)	96
ECOWAS / EBID, Togo	82
Eswatini Development & Savings Bank, Eswatini	86
FINCORP Eswatini	82
Export Development Fund, Malawi	83
Fonds Africain de Garantie et de Coopération Economique, Bénin	88
GAPI-SI, Mozambique	91
Group Crédit Agricole du Maroc	99
Industrial Development Corporation of Zimbabwe	88
Industrial Development Corporation, South Africa	87
Malawi Agricultural and Industrial Investment Corporation Plc.	95
Nigerian Export-Import Bank	81
Shelter Afrique, Kenya	91

Institutions	Compliance Indexes
Société Financière de Développement, DRC	83
Société Tunisienne de Banque	76
Small and Medium Enterprises Development Corporation, Zimbabwe	71
Tamwil El Fellah (TEF), Morocco	97
Trade and Development Bank, Kenya	96
TIB Development Bank Limited, Tanzania	70
Uganda Development Bank Limited	92

This arrangement facilitates the identification of DFIs eligible for the rating exercise, based on their compliance index higher than or equal to 80%. A total of 32 DFIs were eligible for the rating exercise, including 16 SADC DFI Network Members, representing 86% of the participating DFIs, compared to 81% in 2020 with 27 participating DFIs. The assessment for rating involved eighteen (18) of the thirty-two (32) eligible DFIs. These 18 DFIs returned the questionnaire for specific data collection, which served as the basis for the assessment for rating. The 18 DFIs assessed were split into three rating categories as follows:

Category A
7 DFIs, or 39.5% in 2021, compared to 4 DFIs, or 18.2% in 2020

Category B
9 DFIs, or 50.2% in 2021, compared to 12 DFIs, or 54.5% in 2020

Category C
2 DFIs, or 11% in 2021, compared to 6 DFIs, or 27.3% in 2020

The indication is that there has been a decline in the number of DFIs participating in the PSGRS exercise, both within and outside the Network.

Annual Financial Statements For The Year Ended 31 March 2022

Southern African Development Community Development Finance Resource Centre

Content

General Information

Nature of business and principal activities	Capacity building, policy research and advisory services for the SADC- Development Finance Institutions and member states
Trustees	Mr Mohan Vivekanandan (Chairperson) Mr Maybin Muyawala Mr Keletsositse Olebile Mr Benedict Libanda Mr Fredrick Chanza Dr Nicholas Shombe Mr Muzikaise Dube (Vice Chairman) Mr Thomas Sakala Mr Sadwick Mtonakutha (Ex-official SADC Secretariat) Mr Stuart Kufeni (CEO)
Business address	Plot 54352 West Avenue, Zambezi Towers CBD, Tower A, 7th Floor, South Wing Gaborone, Botswana
Postal address	Private Bag 0034 Gaborone, Botswana
Bankers	Standard Chartered Bank of Botswana Limited First National Bank Botswana
Auditors	Mazars Certified Auditors Plot 139 Gaborone International Finance Park P O Box 401805 Gaborone, Botswana
Country of Incorporation and Domicile	Botswana
Functional and Presentation Currency	United States Dollars

Trustees' Responsibilities and Approval

For The Year Ended 31 March 2022

The Trustees are responsible for the financial statements of Southern African Development Community- Development Finance Resource Centre and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards.

The Trustees are also responsible for the Centre's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The Trustees have no reason to believe that the Centre will not be a going concern in the foreseeable future based on forecasts and available cash resources.

Our external auditors conduct an examination of the financial statements in conformity with International Standards of Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Trustees.

The annual financial statements for the year ended 31 March 2022 on page 37 to 67 were authorised for issue by the trustees and are signed on their behalf by:

Mohan Vivekanandan	**Stuart Kufeni**
Chairperson	**Chief Executive Officer**

Trustees Report

For The Year Ended 31 March 2022

The Trustees' present their report for the year ended 31 March 2022.

Operations

The Centre's operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

SADC-DFRC is a subsidiary institution of SADC established in July 2003 to serve as a sub-regional centre of excellence to strengthen the SADC Development Finance Institutions (DFIs) Network and to enhance the capacity of the SADC DFIs to deliver on their mandates towards the achievement of the SADC RISDP goals of economic growth, employment generation and poverty alleviation.

Events after the Reporting Period

There have been no facts or circumstances of a material nature that have occurred between the period end date and the date of this report. The Trustees are not aware of any matters or circumstances arising since the end of the financial year up until the date these financial statements were authorised for issue, not dealt with in this report or the financial statements that would significantly affect the operations of the Centre or the results of its operations.

Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Management has assessed and concluded that the Covid-19 had limited impact regarding the going concern of the Centre as it has sufficient resources to survive the effects of the pandemic.

Number of Employees

The average number of employees during the period was 10 (2021: 11).

Auditors

Mazars were appointed as the Auditors of the Centre during the year.

Independent Auditor's Report

For The Year Ended 31 March 2022

To the Trustees of Southern African Development Community Development Finance Resource Centre

Opinion

We have audited the annual financial statements of Southern African Development Community Development Finance Resource Centre set out on pages 37 to 67, which comprise the statement of financial position as at 31 March 2022, statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Southern African Development Community Development Finance Resource Centre as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Centre in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 24 to the annual financial statements which indicates the effects of COVID 19 on the operations of the Centre. Our opinion is not modified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises

Independent Auditor's Report

For The Year Ended 31 March 2022

the Trustees Responsibility Statement and the Trustees Report. The other information does not include the 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 Trustees for the Annual Financial Statements

The Trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and for such internal control as the trustees 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 Trustees are responsible for assessing the Centre'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 Centre either intend to liquidate the Centre or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting processes.

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

Independent Auditor's Report

For The Year Ended 31 March 2022

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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees 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 Centre'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 Centre's 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 Trustees 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.

Mazars

Date 27/01/2023

Mazars
Certified Auditors
Practicing Member: Devaprasad Arakkal (CAP 0036 2022)

Gaborone

Statement of Financial Position

For The Year Ended 31 March 2022

Figures in USD	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property and equipment	2	789,660	823,873
Current Assets			
Trade and other receivables	3	259,874	39,272
Bank and cash	4	557,014	697,331
		816,888	**736,603**
Total Assets		**1,606,548**	**1,560,476**
Funds and Liabilities			
Funds			
Revaluation surplus		27,030	20,139
Accumulated surplus		1,107,828	907,685
		1,134,858	**927,824**
Liabilities			
Non-Current Liabilities			
FNB mortgage loan	5	-	133,371
Current Liabilities			
Trade and other payables	6	341,569	372,905
FNB mortgage loan	5	130,121	126,376
		471,690	**499,281**
Total Liabilities		**471,690**	**632,652**
Total Funds and Liabilities		**1,606,548**	**1,560,476**

Statement of Comprehensive Income

For The Year Ended 31 March 2022

Figures in USD	Note(s)	2022	2021
Revenue	7	1,068,901	1,406,741
Other income	8	6,659	4,779
Operating gains (losses)	9	10,131	(11,205)
Operating expenses		(869,751)	(1,298,606)
Operating Income	10	**215,940**	**101,709**
Interest income		15	147
Interest expense	11	(15,812)	(24,482)
Surplus for the year		**200,143**	**77,374**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on motor vehicle revaluation		6,891	7,921
Other comprehensive income for the year net of taxation		**6,891**	**7,921**
Total comprehensive income for the year		**207,034**	**85,295**

Statement of Changes in Funds

For The Year Ended 31 March 2022

Figures in USD	Revaluation reserve	Accumulated surplus	Total
Balance at 01 April 2020	**12,218**	**830,311**	**842,529**
Surplus for the year	-	77,374	77,374
Other comprehensive income	7,921	-	7,921
Total comprehensive income	**7,921**	**77,374**	**85,295**
Balance at 01 April 2021	**20,139**	**907,685**	**927,824**
Surplus for the year	-	200,143	200,143
Other comprehensive income	6,891	-	6,891
Total comprehensive income for the year	**6,891**	**200,143**	**207,034**
Balance at 31 March 2022	**27,030**	**1,107,828**	**1,134,858**

*The revaluation gain arises from the changes in the fair value of motor vehicle at year end. Revaluation was carried out at the end of the year by Global Loss Adjusters. The revaluations are carried out in Botswana Pula and converted to the US$ reporting currency at year end at the closing exchange rate.

Statement of Cash Flows

For The Year Ended 31 March 2022

Figures in USD	Note(s)	2022	2021
Operating activities			
Cash (used in)/generated from operations	12	(4,831)	368,969
Interest received		15	147
Cash (used in)/generated from operating activities		**(4,816)**	**369,116**
Investing activities			
Purchase of property and equipment	2	(513)	(11,017)
Cash utilised in investing activities		**(513)**	**(11,017)**
Financing activities			
Repayment of FNB mortgage loan		(129,626)	(83,829)
Interest paid on FNB mortgage loan		(15,812)	(24,482)
Cash utilised in financing activities		**(145,438)**	**(108,311)**
(Decrease)/Increase in cash & cash equivalents for the year		**(150,767)**	**249,788**
Cash at the beginning of the year		697,331	458,750
Effect of exchange rate movement on cash balances		10,450	(11,207)
Cash & cash equivalents at end of the year	4	**557,014**	**697,331**

Accounting Policies

For The Year Ended 31 March 2022

1. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1.1 Basis of preparation

The financial statements are stated in United States Dollars (US Dollars), denoted by US$, which is also the functional & presentation currency. All values are rounded to the nearest USD ($1) except when otherwise indicated. The financial statements are prepared on the historical cost basis, with the exception of motor vehicles which are measured at revalued amounts.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 estimate is revised if the revision affects only that period or in the period, of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in future are disclosed on page 18. The financial statements incorporate the following accounting policies which are consistent with those applied in the previous year.

Reporting currency and currency translation

All transactions have been translated into US Dollars at rates of exchange ruling at the date of the transaction. Monetary assets and liabilities at the reporting date have been translated into US Dollars at the foreign exchange rate ruling at that date.

Any foreign exchange differences are dealt with in the profit or loss in the year in which the difference arises. Non monetary assets and liabilities denominated in currencies other than US Dollars which are stated at historical cost, are translated to US Dollars at the foreign exchange rate ruling at the date of the transaction.

1.2 Property and equipment

Property and equipment are tangible assets which the Centre holds for its own use.

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

Property and equipment 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.
Expenditure incurred subsequently for major services, additions to or replacements except for motor vehicles of parts of property and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Centre and the

Accounting Policies

For The Year Ended 31 March 2022

1.2 Property and equipment cont.

cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

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 Centre. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	12 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6.67 years
Computer equipment	Straight line	3 years
Buildings improvements	Straight line	20 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.
Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property 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 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.

Impairment of non-financial assets

The Centre assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Centre estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks

Accounting Policies

For The Year Ended 31 March 2022

1.2 Property and equipment cont.

specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Centre bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Centre's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for a motor vehicle previously revalued when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised
impairment losses no longer exist or have decreased. If such indication exists, the Centre estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

1.3 Financial instruments

Financial instruments carried on the statement of financial position include receivables, cash deposits and term finance liabilities and payables. Financial instruments are recognised when the Centre becomes party to a contractual arrangement that constitutes a financial asset or financial liability for the Centre that is not subject to suspensive conditions. Regular way investment transactions are recognised by using trade date accounting.Financial instruments held by the Centre are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Financial instruments are classified at initial recognition as measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss. Financial liabilities are initially recognised at armotised cost or fair value through profit and loss.

The classification of financial instruments is determined at initial recognition based on the purpose for which the financial assets are acquired, or liabilities assumed.

The Centre's financial instruments are financial assets and liabilities held at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding prepayments are classified as financial assets subsequently measured at amortised cost (note 3).

Accounting Policies

For The Year Ended 31 March 2022

1.3 Financial instruments cont.

Recognition and measurement

Trade and other receivables are recognised when the Centre becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Trade and other receivables denominated in foreign currencies

Impairment

The Centre assesses at each reporting date whether there is an indication that an asset may be impaired.

The Centre recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Centre expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Centre considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Centre may also consider a financial asset to be in default when internal or external information indicates that the Centre is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Centre. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed.
Accounting policy on financial instruments-impairment of financial assets details the approach to determining whether an instrument or a portfolio of instruments is subject to twelve-month ECLs or Lifetime ECLs.

Measurement and recognition of expected credit losses

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

Accounting Policies

For The Year Ended 31 March 2022

1.3 Financial instruments cont.

of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 3.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 10).

Write off policy

The Centre writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Receivables written off may still be subject to enforcement activities under the centre recovery procedures. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 3) and the financial instruments and risk management note (note 14).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.
Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Trade and other payables

Classification

Trade and other payables (note 6), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Centre becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

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

1.4 Tax

No provision for taxation is required as the Centre is exempt from taxation in terms of the second schedule of the Income Tax Act (Chapter 52:01).

1.5 Impairment of assets

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

Accounting Policies

For The Year Ended 31 March 2022

1.5 Impairment of assets cont

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.

1.6 Employee benefits

The Centre does not have a retirement benefit scheme of its own. Provision is made for gratuity benefit obligations to its present employees, as required under the Botswana Employment Act. Gratuity benefits are not considered to be a retirement benefit plan as the benefits are payable on completion of each individual employee contract and a provision made on a yearly basis. Employee entitlements to annual leave, and medical aid, are recognised when they accrue to employees and an accrual is made for the estimated liability as a result of services rendered by the employee up to the reporting date. Termination benefits are recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The distinction between short-term and other long-term employee benefits is based on the expected timing of settlement rather than the employee's entitlement to the benefits.

1.7 Provisions and contingencies

Provisions are recognised when:

- the Centre has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 15.

1.8 Revenue recognition

The Centre adopted IFRS 15 Revenue from contracts with customers in the previous financial year.

In terms of IFRS 15, Revenue from contracts with customers, the Centre applies a 5-step approach when reviewing customer contracts in order to determine how revenue is recognised. These steps are:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the Centre satisfies a performance obligation.

The Centre earns its fee revenue from donor income, DFI member & programme contributions, capacity

Accounting Policies

For The Year Ended 31 March 2022

1.8 Revenue recognition cont

building programmes and interest. The five-step approach is only relevant to DFI member & programme contributions and capacity building programmes which are derived from contributions from DFI members. Donor income and interest are not within the scope of IFRS 15, particularly interest income is covered under the requirements of IAS 32-paragraph 35.

1.9 Interest received

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Centre using the effective interest rate method on the original settlement amount.

Donor income

Donor income is credited to the profit or loss when these amounts are received and banked. Donor income for future use is recorded as a liability on receipt. The liability is deferred income and when the costs are incurred the deferred income is amortised and recognised in Profit or Loss and costs expensed in Profit or Loss. Funds and sponsorship paid directly to service providers by donors for SADC-DFRC programmatic activities are accounted for as non-cash donations. Donor income is recognised in the profit and loss as Other income.

Performance obligations

DFI member, programme and capacity building contributions are generally accrued at a point in time. The Centre does not place further pre-conditions and the contributions are therefore computed on fixed percentages based on the budget. The contributions fall due and payable when billed either monthly, quarterly or bi-annually as stipulated in the budget.

IFRS 15 considerations:

A contract/agreement exists between the Centre and the DFI members.

The agreement is subject to DFI member, programme and capacity building contributions.

Performance obligations

The performance period and the performance obligations, described above were met as at the evaluation date No further asset or liability recognised at 31 March 2022.

There were no significant judgements applied in the revenue recognised as the budget and agreement explicitly state the exact contribution from each member.

No incremental costs were incurred to fulfil the contract with a customer.

Impairment assessment

The ECL provision matrix is initially based on the Centre 's historical observed default rates. The Centre calibrates the matrix to adjust the historical credit loss experience with forward-looking information. The forward-looking information considered includes forecast economic conditions (a positive economic growth rate of 2.6% is projected in 2020, consequently lead to low default by receivables debtors). However forward-looking information was assessed after grouping receivables based on their geographical areas.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD

2. Property and equipment

	2022			2021		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Buildings**	761,425	(96,447)	664,978	761,425	(81,219)	680,206
Furniture and fixtures	42,269	(28,492)	13,777	42,269	(26,245)	16,024
Motor vehicles*	56,375	(37,928)	18,447	49,484	(30,371)	19,113
Office equipment	26,878	(20,423)	6,455	26,365	(17,962)	8,403
Computer equipment	101,001	(93,524)	7,477	101,001	(85,049)	15,952
Building improvements	112,970	(34,444)	78,526	112,970	(28,795)	84,175
Total	**1,100,918**	**(311,258)**	**789,660**	**1,093,514**	**(269,641)**	**823,873**

Reconciliation of property and equipment - 2022

	Opening balance	Additions	Revaluations	Depreciation	Total
Buildings**	680,206	-	-	(15,228)	664,978
Furniture and fixtures	16,024	-	-	(2,247)	13,777
Motor vehicles*	19,113	-	6,891	(7,557)	18,447
Office equipment	8,403	513	-	(2,461)	6,455
Computer equipment	15,952	-	-	(8,475)	7,477
Building improvements	84,175	-	-	(5,649)	78,526
	823,873	**513**	**6,891**	**(41,617)**	**789,660**

Reconciliation of property and equipment - 2021

	Opening balance	Additions	Revaluations	Depreciation	Total
Buildings**	695,433	-	-	(15,227)	680,206
Furniture and fixtures	17,943	329	-	(2,248)	16,024
Motor vehicles*	17,165	-	7,921	(5,973)	19,113
Office equipment	10,874	-	-	(2,471)	8,403
Computer equipment	11,450	10,688	-	(6,186)	15,952
Building improvements	89,823	-	-	(5,648)	84,175
	842,688	**11,017**	**7,921**	**(37,753)**	**823,873**

Additional information

The motor vehicles were revalued on 31 March 2022. If the motor vehicles were measured using the cost model, the carrying amount as at 31 March 2022 would be as follows;

Notes to the Annual Financial Statements
For The Year Ended 31 March 2022

Figures in USD	2022	2021
2. Property and equipment (continued)		
Cost	35,382	35,382
Accumulated depreciation	(32,385)	(31,136)
	2,997	**4,246**

* Motor vehicles-The revaluation adjustments related to the accumulated depreciation as at the revaluation date, that was eliminated against the gross carrying amount of the revalued asset.

**Buildings-The buildings (new office space over the portion of section 46 on Lot 54352, Zambezi Towers, CBD, Gaborone) are used as security for the FNB Loan.

3. Trade and other receivables		
Financial instruments:		
Member contributions receivable	902,648	695,895
Expected credit loss	(681,226)	(687,885)
Non-financial instruments:		
Recoverable VAT	37,262	30,980
Prepayments	1,190	282
Total trade and other receivables	**259,874**	**39,272**
Split between non-current and current portions		
Current assets	259,874	39,272
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	221,422	8,010
Non-financial instruments	38,452	31,262
	259,874	**39,272**

Credit losses

Contributions amounting to US $681,226 (2021: US $687,885) are past due and impaired. Other receivables have no contractual repayment period. Member contributions which are past due and not impaired are disclosed on note 14 - on credit risk. Management's assessment of the impairment provision has taken into account each DFI's specific circumstances, the impact of the COVID-19 pandemic on the DFI's business and cashflow generation ability. The significant increase in the provision is mainly attributable to the impact the Covid-19 pandemic has on the DFI's for the 2021-2022 and 2020-2021 financial periods compared to the previous financial periods where the impact was largely minimal. Given the majority of the DFI's are parastatals, the slowdown of businesses throughout most of 2021-2022 and 2020-2021 significantly impacted the ability of the DFI's to settle their outstanding balances.

Movement of the provision for impairment of contribution is as follows:

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
3. Trade and other receivables (continued)		
Balance at beginning of the year	687,885	417,435
Recovered & reversed	(130,323)	(220,909)
Impairment losses	123,664	491,359
Expected credit loss	**681,226**	**687,885**

Exposure to currency risk

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

4. Bank and cash	2022	2021
Cash and cash equivalents consist of:		
Cash at bank and on hand	44,320	35,752
Short-term deposits	512,694	661,579
	557,014	**697,331**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one day to three months and earn interest at the respective short-term deposit rates.
Included in cash and cash equivalents are bank balances held with Agribank Zimbabwe amounting to US $ 61 (2021: US $1081). In response to the hard cash shortages in Zimbabwe, the Reserve Bank of Zimbabwe through the Exchange Control Operations Guide (ECOGAD 8) introduced a foreign payments priority list that places restrictions on Agribank Zimbabwe remitting funds outside Zimbabwe (including Botswana) and for SADC-DFRC to withdraw the cash and use it outside Zimbabwe. These balances are held in Zimbabwean RTGS dollar and were converted at the closing rate ruling as at 31 March 2022.

5. FNB mortgage loan	2022	2021
First National Bank Botswana	130,121	259,747
SADC DFRC obtained a loan from FNB amounting to Pula 8,100,000 (US $ 741,150 at an exchange rate of 0,0915) on 31 March 2016. The loan is secured over the portion of section 46 on Lot 54352, New CBD Gaborone (the office space). Capital and interest are serviced monthly in arrears in equal instalments for up to 120 months (10-year period). The lending being at Prime lending rate plus 2.5% with prime rate being the publicly quoted basic rate of interest from time to time published by First National Bank.		
Split between non-current and current portions		
Non-current liabilities	-	133,371
Current liabilities	130,121	126,376
	130,121	**259,747**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
6. Trade and other payables		
Financial instruments:		
Trade payables	158	162
Amounts due to DFIs	2,821	2,821
Accrued leave pay	70,953	-
Accrued expenses	43,652	133,962
Gratuity payables	223,985	235,960
	341,569	**372,905**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	**341,570**	**372,906**

Trade and other payables terms and conditions

Trade and other payables are non-interest bearing and are normally on 30-60-day terms.

7. Revenue

Revenue from contracts with customers

DFI Member Contributions	1,012,801	1,387,190
DFIs Programmes Contribution	56,100	19,551
	1,068,901	**1,406,741**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
7. Revenue (continued)		

Disaggregation of revenue

The Centre has disaggregated revenue into geographical areas in the following table which is intended to depict how the nature, timing, amount and uncertainty of revenue and cash flows are affected by economic date.

The centre disaggregates revenue from customers as follows:

	2022	2021
Timing of revenue recognition		
Geographical Area - Over the period		
Angola	112,861	296,109
Botswana	118,578	136,075
Eswatini	63,731	74,033
Lesotho	12,717	26,761
Madagascar	11,414	12,907
Malawi	10,737	12,039
Mauritius	17,730	22,525
Mozambique	11,400	26,227
Namibia	57,047	65,225
Seychelles	10,867	12,526
South Africa	484,667	587,676
Tanzania	39,135	43,821
Zambia	11,740	13,309
Zimbabwe	50,176	57,957
DFIs Programmes Contribution	56,101	19,551
	1,068,901	**1,406,741**

8. Other operating income

	2022	2021
Net reversal of bad debts provision	6,659	-
Other income	-	4,779
	6,659	**4,779**

9. Other operating gains (losses)

	2022	2021
Foreign exchange gains (losses)		
Net foreign exchange gains (losses)	**10,131**	**(11,205)**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
10. Operating surplus (loss)		
Operating surplus for the year is stated after charging (crediting) the following, amongst others:		
Administration and operating expenses	**121,678**	**125,748**
Employee costs		
Staff costs (Including gratuity, leave pay, medical aid and other benefits)	664,841	836,602

*Gratuities are employee benefits payable on completion of each individual employee contract and an accrual is made on a yearly basis. Gratuity contribution is calculated at 25% of the agreed salary as per the employment contract.

Average number of persons employed during the year		
Full time	11	12
Depreciation		
Depreciation of property and equipment	41,617	37,753
Expenses by nature		
Staff costs	664,841	836,602
Depreciation	41,617	37,753
Operating and adminstration expenses	121,678	399,241
DFI programme expenses -DFRC	41,615	25,010
	869,751	**1,298,606**
11. Interest expense		
Finance charges on mortgage loan	**15,812**	**24,482**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
12. Cash (used in)/generated from operations		
Surplus for the period	200,143	77,374
Adjustments for:		
Depreciation	41,617	37,753
(Gains) losses on foreign exchange	(10,131)	11,205
Interest income	(15)	(147)
Interest expense	15,812	24,482
Changes in working capital:		
Trade and other receivables	(220,602)	58,631
Trade and other payables	(31,655)	159,671
	(4,831)	**368,969**

13. Related parties

Relationships

SADC - Development Finance Resource Centre is a subsidiary of Southern African Development Community (SADC). Therefore, SADC and all its affiliate members are related parties of the Centre including member Development Finance Institutions (DFIs), Board of Trustees and key management personnel.

Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Amounts due from DFIs	902,648	695,895
Amounts due to DFIs	(2,821)	(2,821)
Related party transactions		
Member contributions from DFIs	1,012,801	1,387,190
Board members allowances and travel fares	(10,530)	(8,100)
Compensation to key management		
Short-term benefits	319,686	471,684
Long-term benefits (Gratuity)	72,686	101,046

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	**2022**	**2021**
14. Financial instruments and risk management		

Classification of financial instruments

Financial Instruments

2022

	Note(s)	Debt Instruments at amortised Cost	Financial Liabilites at amortised Cost	Total	Fair value
Trade and other receivables	3	221,422	-	221,422	221,422
Cash and cash equivalents	4	557,014	-	557,014	557,014
Account payable		-	(158)	(158)	(158)
Gratuity payable		-	(223,985)	(223,985)	(223,985)
FNB Loan		-	(130,121)	(130,121)	(132,121)
		778,436	**(354,264)**	**424,172**	**422,172**

2021

	Note(s)	Debt Instruments at amortised Cost	Financial Liabilites at amortised Cost	Total	Fair value
Trade and other receivables	3	8,010	-	8,010	8,010
TA facility-admin funds		-	(2,130)	(2,130)	(2,130)
Cash and cash equivalents	4	697,331	-	697,331	697,331
FNB Loan		-	(259,947)	(259,947)	(259,947)
Accounts payable		-	(854)	(854)	(854)
Gratuity payable		-	(235,960)	(235,960)	(235,960)
		705,341	**(498,891)**	**206,450**	**206,450**

Financial risk management

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a loss. The Centre is exposed to credit risk from its operating activities primarily (trade and other receivables) and from its financing activities, including deposits with banks and financial institutions. An impairment analysis is performed at the end of each reporting year on an individual basis on all the balances due from DFIs. The calculation is based on the expected credit losses. Some of the factors considered in determining that members contributions are impaired are the non-payment of balances during the agreed payment period and terms, the financial health of the DFI as well as the economic conditions currently prevailing in the DFI's primary operating economy.

The Centre's maximum exposure to credit risk for the component of the statement of financial position as at 31 March 2022 and 31 March 2021 is the carrying amount as illustrated in Note 8.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
14. Financial instruments and risk management (continued)		

Financial instruments designated at fair value through profit or loss.

There are no financial insruments which the centre has designated as at fair value through profit or loss.

Financial assets pledged as collatral.

Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect entities of counterparties whose aggregate credit exposure is significant in relation to the Centre's total credit exposure. At year end, significant concentration of credit risk was on the following trade and other receivables:

	2022	2021
SMEDCO Zimbabwe	23,859	23,091
IDC Zimbabwe	62,363	62,363
Eswatini Development & Savings Bank	41,694	42,994
Export Development Fund	28,401	17,664
SOFIDE DR CONGO	44,036	54,629
BEDCO	45,412	51,212
BANCO Sol	130,270	69,841
NATION	26,170	27,588
BANCO DE POUPANCA	173,548	173,548
PPP Unit	-	3,000
Development Bank of Zambia	54,268	42,528
Swaziland Housing Board	-	16,421
BITC	-	5,985
LANDBANK	161,555	97,946
AGRI BANK ZIMBABWE	13,391	550
Botswana Savings Bank	14,951	-
Eswatini Development Finance Corporation	12,725	-
National Development Bank	10,735	-
Societe Nationale de Participations (SONAPAR)	11,414	-
Tanzania Agricultural Development Bank	13,670	-
	868,462	**689,360**

Notes to the Annual Financial Statements
For The Year Ended 31 March 2022

Figures in USD	2022	2021
14. Financial instruments and risk management (continued)		

Write off Policy

The centre writes off trade and other receivable balances, and any related allowances for impairment losses, when there is determination that the receivable is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the debtor's financial position such that the debtor can no longer pay the obligation.

Member contributions which are past due and not impaired are as follows based on the 30-90-day terms;

	2022	2021
0-30 days	166,455	4,720
30-60 days	43,776	1,298
60-90 days	11,414	29,371
Total	**221,645**	**35,389**

Impairment Assessment

The tables below shows the values of the Centre's financial instruments subject to ECL. The total amount of provision using the simplified approach in calculating the ECLs is $ 687 886 and is detailed below. A provision was made for impairment of $681,226 (US$687,886) based on IFRS 9's expected credit loss model.

Trade and other receivables Account	Balances at 31 March 2022	Expected Credit Loss	Net Receivables
Accounts receivable	902,648	(681,226)	221,422

Account	Balances at 31 March 2021	Expected Credit Loss	Net Receivables
	695,895	(687,886)	8,009

Amount provided

Trade and other receivables are based on the past trends and history and the loss model based on IFRS 9. The Net Flow rate reveals that collections are periodically and regularly received and hence the LGD is conservatively determined at a percentage of the exposure to default for receivables possessing the same characteristics. In this case the DFIs were grouped based on their geographical locations. Additional separate considerations were made for some that were in significant financial distress.

Fair value of financial instruments

The fair value of all financial instruments approximates their carrying amounts reflected in the statement of financial position.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
14. Financial instruments and risk management (continued)		

Capital Risk Management

The Centre define capital as the total accumulated funds of the Centre as noted in the statement of changes in funds. The Centre long-term objective for managing capital is to deliver competitive, secure and sustainable returns to maximise long-term DFI member satisfaction. Management is of the view that these objectives are being met. The Centre is not subject to any externally imposed capital requirements.

Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Centre monitors its risk of a shortage of funds by monitoring its debt rating and the maturity dates of existing debt and other payables. The Centre's objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits and bank loans. As at 31 March 2022, the Centre had available US $ 557,014 (2021:US $ 697,332) in cash deposit. The Centre borrowings are short term and will mature in 12 months time thus funds will not be fully tied towards repayment of the loan but availed to other daily needs of the Centre.

2022

	Notes	Due not later than one month	Due to later than one year	Due after more than one year	Total	Carrying amount
Current liabilities						
Trade and other payables		2,979	114,606	223,985	341,570	341,570
Financial liabilities at fair value	5	-	130,121	-	130,121	130,121

2021

	Notes	Due not later than one month	Due to later than one year	Due after more than one year	Total
Current liabilities					
Trade and other payables	6	2,293	235,960	-	238,253
Amounts due to the DFIs		691	-	-	691
Long term Liabilities		-	142,072	138,924	280,996

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
14. Financial instruments and risk management (continued)		

Foreign currency risk

The Centre is exposed to the foreign currency risk for transactions that are denominated in a currency other than the reporting currency of the Centre, the United States Dollar. Other than locally incurred expenses, all other expenses consist of costs paid and denominated in US$. Revenue consists of amounts denominated in US$. The Centre's exposure to foreign currency risk, based on notional amounts is summarised as follows;

The amounts below are in US Dollars (US$)

2022	AOA (Angolian Kwanza)	Euro	ZWL$	Botswana pula
Cash and cash equivalents	-	54,778	61	116,393
Long Term Loan-FNB Loan	-			(138,100)
Trade and other receivables	-			(130,121)
Net exposure		**54,778**	**61**	**(151,828)**

2021	AOA (Angolian Kwanza)	Euro	ZWL$	Botswana pula
Cash and cash equivalents	47	6,786	15,287	22,120
Long Term Loan-FNB Loan	-	-	-	(259,746)
Trade and other receivables	-	-	-	(133,806)
	47	**6,786**	**15,287**	**(371,432)**

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021

14. Financial instruments and risk management (continued)

The following table demonstrates the sensitivity to a reasonably possible change in Botswana Pula (BWP) and Euros, with all other variables held constant, of the centre's surplus and accumulated funds (due to changes in fair value of monetary assets and liabilities).

2022 **Foreign currency risk**		**Increase/ (decrease) in surplus for the year**	**Increase/ (decrease) in accumulated fund**
Botswana Pula			
Change in exchange rate	+10%	(32,665)	(32,665)
	-10%	32,665	32,665
Euros			
Change in exchange rate	+10%	3,251	3,251
	-10%	(3,251)	(3,251)
ZWL dollar			
Change in exchange rate	+10%	5	5
	-10%	(5)	(5)

2021 **Foreign currency risk**		**Increase/ (decrease) in surplus for the year**	**Increase/ (decrease) in accumulated fund**
Botswana Pula			
Change in exchange rate	+10%	(37,143)	(37,143)
	-10%	37,143	37,143
Euros			
Change in exchange rate	+10%	678	678
	-10%	(678)	(678)
ZWL dollar			
Change in exchange rate	+10%	1,528	1,528
	-10%	(1,528)	(1,528)
Angolan Kwanza			
Change in exchange rate	+10%	5	5
	-10%	(5)	(5)

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
14. Financial instruments and risk management (continued)		

Interest rate risk

The Centre manages and monitors daily funding requirements. Surplus funds are invested with first rate banking institutions. The Centre exposure to market risk for changes in interest rates relates primarily to the centre's and bank balances subject to floating interest rates.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Centre surplus and accumulated fund.

2022

		Increase/ (decrease) in surplus for the year	Increase/ (decrease) in accumulated fund
Interest rate risk	+1%	(2,064)	(2,064)
Change in interest rate	-1%	2,043	2,043
		(21)	**(21)**

2021

		Increase/ (decrease) in surplus for the year	Increase/ (decrease) in accumulated fund
Interest rate risk	+1%	3,714	3,714
Change in interest rate	-1%	(3,714)	(3,714)

15. Contingencies

A former employee sued the Centre for two cases, one challenging non-renewal of his employment contract and seeking reinstatement and secondly claiming for compensation against defamation of character, arising from the Chief Executive Officer's response to his letter to the Chairman of the Centre's Board of Trustees.

Both cases were dismissed with costs. The cases were called for trial on the 6th November 2020, at the Gaborone High Court, and the court ruled in favour of the defendant, the Centre. The judgement of the reinstatement case was handed down on the 21st October 2021 in favor the Centre. Thus, at this point the Centre no longer has contingency liability in relation to this. According to the lawyer's assessment, it is considered highly unlikely that the case will be successful in the event that the Applicant reinstate it again. It is considered meritless based on the facts of the law.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021

16. Impact of COVID -19 on the operations of the Centre

During the year ended 31.03.2022 the Centre did not experience significant disruption to its operations due to the COVID-19 pandemic. Lockdowns and movement restrictions were imposed in Botswana for two weeks in August. The lockdown has since been lifted; however, we anticipate the impact of the COVID-19 pandemic to impact our operations and performance in the short term.

The Botswana government and governments of neighbouring countries now have more certain guidelines to restrict the surge compared to prior year, with vaccination strategies being implemented. We do not foresee any lockdowns for extended period of time or significant impact on supply chain or demand of the products of the Centre. The Centre saw a steady recovery in revenue as trade normalized. The extent of the impact of COVID-19 on the business operational and financial performance will depend on the duration of the pandemic, the impact of the outbreak on our customers, employees and vendors, many of which are outside the management control, and are all still uncertain and cannot be predicted.

The Centre deals with capacity building, policy research and advisory services for the SADC- Development Finance Institutions and member states, and therefore management do not expect significant negative impact on the growth of business. Management expects the Centre to continue as a going concern for a period of at least 12 months after the year end.

17. New Standards and Interpretations

17.1 Standards issued and effective in the current year

Standard	Effective date	Impact
Amendments to IFRS 3: Definition of business	**01 January 2020**	No impact as the Centre does not have business combination.
Amendments to IAS 1 and IAS 8: Definition of material	**01 January 2020**	The Centre adopted the amendments during the year and used the guidance to effect improvements in the notes to the financial statements by including additional narratives and clarity where considered necessary. The amendments had no other impact on the financial statements.
The conceptual framework for financial reporting	**01 January 2020**	The amendments are effective for reporting periods commencing on or after 1 January 2020. The Centre adopted the amendments in the current year with no further impact or changes to the existing accounting policies.
Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform	**01 January 2020**	The Centre adopted the amendments during the current year, however, the Centre does not have any hedging transactions and was not impacted by the amendments.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD

17. New Standards and Interpretations (continued)

17.2. New/Revised International Financial Reporting Standards issued but not yet effective

At the date of approval of these financial statements, the following standards and interpretations were in issue but not effective for the current reporting period.

Standard	Effective date	Impact
Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	**01 January 2021**	Management are still assessing the potential impact of the amendment
AIP IFRS 1 First time adoption of International Financial Reporting Standards - Subsidiary as a first time adopter	**01 January 2021**	Not likely to have impact as the Centre is not a first adopter of IFRS.
AIP IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	**01 January 2021**	Management are still assessing the potential impact of the amendment.
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	**01 January 2023**	Management are still assessing the potential impact of the amendment
IFRS 17 Insurance Contracts	**01 January 2023**	Not likely to have impact as the Centre does not have insurance contracts.
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	**01 January 2022**	Management are still assessing the potential impact of the amendment.
Onerous Contracts – Costs of Fulfilling a Contract –Amendments to IAS 37	**01 January 2022**	Management are still assessing the potential impact of the amendment.
AIP IAS 41 Agriculture – Taxation in fair value measurements	**01 January 2022**	Not likely to have impact as the Centre does not have agricultural products.
Reference to the Conceptual Framework – Amendments to IFRS 3	**01 January 2021**	Not likely to have impact as the Centre does not have business combinations.
COVID-19 - Related Rent Concessions - Amendment to IFRS 16	**01 June 2020**	Not likely to have impact as the Centre does not have leases.

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
18. Commitments		
Capital expenditure commitments		

SADC - DFRC has no purchase commitments for property and equipment incidental to the ordinary course of business.

19. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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

20. Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Centre assets.

2022

Assets measured at fair value	Date of valuation	Totals	Total Quoted prices in active markets (Level 1) US $	Total Quoted prices in active markets (Level 1) US $	Significant unobservable inputs (Level 3) US $
Motor vehicles	31 March 2022	27,030	-	-	27,030

2021

Assets measured at fair value	Date of valuation	Totals	Total Quoted prices in active markets (Level 1) US $	Total Quoted prices in active markets (Level 1) US $	Significant unobservable inputs (Level 3) US $
Motor vehicles	31 March 2021	20,139	-	-	20,139

Notes to the Annual Financial Statements

For The Year Ended 31 March 2022

Figures in USD	2022	2021
20. Fair Value Measurement (continued)		

Fair value of the motor vehicles was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 31 March 2022, the motor vehicles' fair values are based on valuations performed by Global Loss Adjusters, an accredited independent valuer.

Reconciliation of the fair value measurement of the motor vehicles is as follows;

Figures in USD		2022	2021
	Note(s)	Opening balance	Closing balance
			US $
1 April 2017			4,539
Total gains and losses recognised in OCI			4,950
1 April 2018			9,489
Total gains and losses recognised in OCI			1,097
As at 31 March 2019			10,586
Total gains and losses recognised in OCI			1,632
As at 31 March 2020			12,218
Total gains and losses recognised in OCI			7,921
As at 31 March 2021			20,139
Total gains and losses recognised in OCI			6,891
As at 31 March 2022			27,030

Motor vehicles	Valuation technique	Significant unobservable inputs	Detailed Information	Range (weighted average)	Sensitivity Analysis
	Use of motor guides and evidence from an independent engineer	The model of the vehicle	3/0D Fortuner 4x2S/Wagon	N/A	
	Use of motor guides and evidence from an independent engineer	Age of the vehicle	9 years	N/A	
	Use of motor guides and evidence from an independent engineer	Mileage of the vehicle	51,227 kms	31 - 46 % increase in the mileage would result in a 2%-20% decrease in the Fair value of the Vehicle	A 11% decrease would result in the fair value of the vehicle decreasing by $ 3,106.

Notes to the Annual Financial Statements
For The Year Ended 31 March 2022

Figures in USD	2022	2021
20. Fair Value Measurement (continued)		

Much attention is given to valuations given in motor-trade guides. These are based on extensive nationwide research of actual selling prices (rather than just advertised prices).

Evidence from an independent engineer is also used – particularly where the vehicle is not a standard one (for example, because it has been heavily modified). Information from an insurer's engineer is also used with assessment of the appropriateness of the content and independence of the report done.

Significant increases (decreases) usage of the motor vehicle per annum in isolation would result in a significantly higher (lower) fair value of the motor vehicle.

Generally, a change in the assumption made for the estimated value of the vehicle is accompanied by:
- The mileage
- Year of registration
- Model type
- Condition of the vehicle

The Centre has assessed that the highest and best use of its motor vehicles do not differ from their current use.

Detailed Income Statement

For The Year Ended 31 March 2022

Figures in USD	Note(s)	2022	2021
Revenue			
DFI Member Contributions		1,012,801	1,387,190
DFIs Programmes Contribution		56,100	19,551
	7	**1,068,901**	**1,406,741**
Other operating income			
Net reversal of bad debts provision		6,659	-
Other Income		-	4,779
	8	**6,659**	**4,779**
Other operating gains (losses)			
Foreign exchange gains (losses)		10,131	(11,205)
Other operating expenses			
Administration and operating expenses	10	121,678	125,748
Impairment losses		-	273,493
Depreciation		41,617	37,753
Programmes Expenditure - DFRC		41,615	25,010
Staff costs		664,841	836,602
		869,751	**1,298,606**
Operating surplus	10	**215,940**	**101,709**
Interest income		15	147
Interest expense	11	(15,812)	(24,482)
Surplus for the year		**200,143**	**77,374**

SADC-DFI Network Members

Angola
Banco de Desenvolvimento de Angola
Banco de Poupanca e Credito
Banco Sol

Botswana
Botswana Development Corporation
Botswana Housing Corporation
Botswana Investment and Trade Centre
Botswana Savings Bank
Citizen Entrepreneurial Development Agency
Local Enterprise Authority
National Development Bank
Norsad Capital (Associate Member)

Democratic Republic of Congo
Societe Financiere de Development

Eswatini
Eswatini Development and Savings Bank
Eswatini Development Finance Corporation
Eswatini Housing Board
Industrial Development Company of Eswatini
National Industrial Development Corporation of Eswatini

Lesotho
Basotho Enterprises Development Corporation
Lesotho National Development Corporation

Madagascar
SOciété NAtionale de PARticipations – SONAPAR

Malawi
Export Development Fund

Mauritius
Development Bank of Mauritius

Mozambique
Banco Nacional de Investimento
Small Investment Promotion Company – GAPI - SI

Namibia
Agricultural Bank of Namibia
Development Bank of Namibia
Environmental Investment Fund of Namibia
National Housing Enterprise

Seychelles
Development Bank of Seychelles

South Africa
Development Bank of Southern Africa
Industrial Development Corporation
Land and Agricultural Development Bank of South Africa

Tanzania
National Development Corporation
Tanzania Agricultural Development Bank
TIB Development Bank

Zambia
Development Bank of Zambia

Zimbabwe
AFC Holdings
Industrial Development Corporation of Zimbabwe Limited
Infrastructure Development Bank of Zimbabwe
Small and Medium Enterprises Development Corporation

Notes

The SADC DFRC is a subsidary Institution of SADC

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