

# **Southern African German Chamber of Commerce and Industry**

**(A non-profit Company under the Companies Act 71 of 2008)**

**(Registration Number 1963/002981/08)**

**Consolidated and Separate Annual Financial Statements  
for the year ended 31 December 2022**

# Southern African German Chamber of Commerce and Industry

(Registration Number 1963/002981/08)

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2022

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# Southern African German Chamber of Commerce and Industry

(Registration Number 1963/002981/08)

Consolidated and Separate Annual Financial Statements for the year ended 31 December 2022

## General Information

<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	1963/002981/08
<b>Nature of business and principle activities</b>	Promote German foreign trade and fostering bilateral trade relations between southern Africa and Germany as well as training
<b>Directors</b>	M.W.H. Boddenberg N. Conradie S.U. Dall'Omo K. Eser                      resigned 1 November 2022 P.F. Falke J.A. Papperitz A. Schulz K.H.E. Schroeder
<b>Registered Office</b>	47 Oxford Road Forest Town Johannesburg 2193
<b>Postal Address</b>	P.O. Box 87078 Houghton Johannesburg 2041
<b>Bankers</b>	Nedbank, Deutsche Bank, HypoVereinsbank
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Auditor</b>	PricewaterhouseCoopers Inc, 4 Lisbon Lane, Waterfall City, Jukskei View 2090
<b>Company Secretary</b>	V Werth
<b>Preparer</b>	L.Comyn, Financial Manager, was responsible for the supervision of the preparation of the financial statements.

# Southern African German Chamber of Commerce and Industry

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## Directors' Responsibilities and Approval

The directors are responsible for the preparation, integrity and fair representation of the financial statements of Southern African - German Chamber of Commerce and Industry in accordance with International Financial Reporting Standards (IFRS) and in accordance with the requirements of the Companies Act of South Africa. The financial statements of Southern African - German Chamber of Commerce and Industry presented on pages 9-30 have been prepared in accordance with the requirements of IFRS and the Companies Act and include amounts based on judgements and estimates made by management.

The directors consider that having applied IFRS in preparing the financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates, and that all IFRS that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of the operations for the year and financial position of the group at year-end in accordance with IFRS and the requirements of the Companies Act of South Africa.

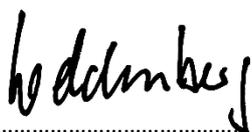
The directors have the responsibility for ensuring that all accounting records are kept. The accounting records disclose, with reasonable accuracy, the financial position and results of Southern African - German Chamber of Commerce and Industry and enable the directors to ensure that the financial statements comply with relevant legislation.

The Southern African - German Chamber of Commerce and Industry operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute assurance that assets are safeguarded and the risks facing the business are controlled. Nothing has come to the attention of the directors 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 financial statements. The directors have no reason to believe that Southern African - German Chamber of Commerce and Industry will not be a going concern in the year ahead, based on forecasts and available cash resources. These financial statements support the viability of Southern African - German Chamber of Commerce and Industry.

Southern African - German Chamber of Commerce and Industry's external auditors, PricewaterhouseCoopers Inc., audited the financial statements and their unqualified audit report is presented on page 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during the audit are valid and appropriate. The annual financial statements for the year ended 31 December 2022 set out on pages 9 to 30 were approved by the board of directors and authorised for issue on 29 May 2023 and are signed on its behalf by:



.....  
M.W.H. Boddenberg



.....  
N. Conradie

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## Directors' Report

The directors present their report for the year ended 31 December 2022.

### **1. Events after reporting date**

There were no material events between the reporting date and the date of the directors' approval of the financial statements that would have a material effect on the financial statements.

### **2. Directors**

The directors of the group during the year and up to the date of this report are as follows:

M.W.H. Boddenberg

N. Conradie

S.U. Dall'Omo

K. Eser            resigned 1 November 2022

P.F. Falke

J.A. Papperitz

K.H.E. Schroeder

A. Schulz

### **3. Secretary**

The Group's designated secretary is V Werth.

### **4. Taxation**

The group qualifies under section 10(1) (d) of the Income Tax Act for an exemption. This section states that the receipts and accruals of a chamber of commerce or industries (or an association of such chambers) shall be exempt from taxes. These taxes would include income tax, CGT and donations tax.

### **5. Independent Auditors**

PricewaterhouseCoopers were the auditors for the year under review.

## Independent auditor's report

To the directors of Southern African German Chamber of Commerce and Industry NPC

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### Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Southern African German Chamber of Commerce and Industry NPC (SAGCC) and its subsidiaries (together the Group) as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### What we have audited<sup>1</sup>

Southern African German Chamber of Commerce and Industry NPC consolidated and separate financial statements set out on pages 9 to 30 comprise:

- the consolidated and separate statements of financial position as at 31 December 2022
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Southern African German Chamber of Commerce and Industry NPC Consolidated and Annual Financial Statements for the year ended 31 December 2022

,which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

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### *Responsibilities of the directors for the consolidated and separate financial statements*

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with [International Financial Reporting Standards / the International Financial Reporting Standard for Small and Medium-sized Entities] and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the consolidated and separate financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: Deon Storm  
Registered Auditor  
Johannesburg  
29 May 2023

# Southern African German Chamber of Commerce and Industry

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The group figures represent South Africa and operations as well as its subsidiary Zambia, while the company figures consist of only South Africa and operations.

## Statements of Profit or Loss and Other Comprehensive Income

<b>Figures in Rand</b>	<b>Notes</b>	<b>Group 2022</b>	<b>Group 2021</b>	<b>Company 2022</b>	<b>Company 2021</b>
Revenue	2.1	28,100,481	18,243,749	28,100,481	18,243,749
Other income and expenditure	2.2	-27,239,637	-18,240,495	-27,217,712	-18,181,846
Net financial impairment loss		<u>-34,178</u>	<u>-1,617</u>	<u>-34,178</u>	<u>-1,617</u>
Net income before finance charges	2.2	826,666	1,637	848,591	60,286
Finance income	2.3	82,384	43,474	82,384	43,474
Finance costs	2.4	<u>-24,551</u>	<u>-29,042</u>	<u>-24,551</u>	<u>-29,042</u>
<b>Profit/loss &amp; other comprehensive income</b>		<u>884,499</u>	<u>16,068</u>	<u>906,424</u>	<u>74,717</u>

# Southern African German Chamber of Commerce and Industry

(Registration Number 1963/002981/08)

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## Statements of Financial Position

Figures in Rand		Group	Group	Company	Company
Assets	Notes	2022	2021	2022	2021
<b>Non-current assets</b>					
Property plant and equipment	3	6,903,545	6,896,001	6,872,048	6,837,131
<b>Current assets</b>					
Trade and other receivables	4.1	6,403,141	1,811,160	6,403,141	1,811,160
Cash and cash equivalents	13.2	<u>11,196,584</u>	<u>16,108,133</u>	<u>11,196,584</u>	<u>16,108,133</u>
		<u>17,599,725</u>	<u>17,919,293</u>	<u>17,599,725</u>	<u>17,919,293</u>
<b>Total assets</b>		<b>24,503,270</b>	<b>24,815,294</b>	<b>24,471,773</b>	<b>24,756,424</b>
Equity and Liabilities					
Equity					
Retained Surplus	11	<u>17,429,871</u>	<u>16,545,372</u>	<u>17,398,372</u>	<u>16,491,948</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Provision	6	2,962,006	2,940,189	2,962,006	2,940,189
Trade and other payables	5	1,248,633	878,138	1,248,633	878,139
Lease liabilities	7	0	360,098	0	360,098
Accrued leave pay	5	489,982	433,951	489,984	428,505
Deferred income	5	<u>2,372,778</u>	<u>3,657,545</u>	<u>2,372,778</u>	<u>3,657,545</u>
		<u>7,073,399</u>	<u>8,269,922</u>	<u>7,073,401</u>	<u>8,264,476</u>
<b>Total liabilities</b>		<b>7,073,399</b>	<b>8,269,922</b>	<b>7,073,401</b>	<b>8,264,476</b>
<b>Total liabilities and Equity</b>		<b>24,503,270</b>	<b>24,815,294</b>	<b>24,471,773</b>	<b>24,756,424</b>

# Southern African German Chamber of Commerce and Industry

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## Statements of Changes in Equity

<b>Figures in Rand</b>	<b>Notes</b>	<b>Retained surplus Group</b>	<b>Retained surplus Company</b>
<b>Balance as at 1 January 2021</b>		<b>16,529,304</b>	<b>16,417,231</b>
Profit/loss for the year		<u>16,068</u>	<u>74,717</u>
Total comprehensive income for the year		16,068	74,717
<b>Balance as at 31 December 2021</b>		<b>16,545,372</b>	<b>16,491,948</b>
Profit/loss for the year		<u>884,499</u>	<u>906,424</u>
Total comprehensive income for the year		884,499	906,424
<b>Balance as at 31 December 2022</b>	<b>11</b>	<b>17,429,871</b>	<b>17,398,372</b>

The acquisition date of the land and building was 23.12.1994. (Capital reserve and not distributable)  
The land and buildings comprise of Stand 737 located in Forest Town, together with office buildings.  
The land is secured by a continuing covering mortgage bond to the extent of R 2 900 000 in favour of Deutsche Industrie- und Handelstag for any amounts owing. The monies are repayable on liquidation of the Chamber and is currently included in equity.

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## Statements of Cash Flows

Figures in Rand	Notes	Group 2022	Group 2021	Company 2022	Company 2021
<b>Cash flows from operating activities</b>	13.1	<b>-4,683,233</b>	<b>-1,631,731</b>	<b>-4,718,831</b>	<b>-1,636,891</b>
Interest income		82,384	43,474	82,384	43,474
Interest expense		-24,551	-29,042	-24,551	-29,042
<b>Net cash from operating activities</b>		<b>-4,625,400</b>	<b>-1,617,299</b>	<b>-4,660,998</b>	<b>-1,622,459</b>
<b>Cash flows from investing activities</b>					
Purchase of PPE	3	-1,176,040	-1,098,223	-1,138,984	-1,093,122
Sales of PPE and SETA refunds		319,210	170,289	319,210	170,289
<b>Net cash used in investing activities</b>		<b>-856,830</b>	<b>-927,934</b>	<b>-819,774</b>	<b>-922,823</b>
<b>Cash flow from financing activities</b>					
Financing related to related parties		0	-73,725	0	-73,725
Repayment of finance lease liabilities		-107,854	-125,022	-107,854	-124,973
<b>Net cash used in financing activities</b>		<b>-107,854</b>	<b>-198,747</b>	<b>-107,854</b>	<b>-198,698</b>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>		<b>-5,590,084</b>	<b>-2,743,980</b>	<b>-5,588,626</b>	<b>-2,743,980</b>
Translation differences on cash balances		678,530	193,162	677,077	193,162
Cash and cash equivalents at beginning of the year		16,108,133	18,658,951	16,108,133	18,658,951
Cash and cash equivalents at end of period	13.2	<b>11,196,584</b>	<b>16,108,133</b>	<b>11,196,584</b>	<b>16,108,133</b>

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## Notes to the Consolidated and Separate Financial Statements

### 1. Accounting policies

#### 1.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with the International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. The following are the principal accounting policies of the group, which are consistent in all material respects with those applied in the previous year. The financial statements have been prepared on the historical cost basis, except for financial instruments, which are measured at their fair value. The financial statements are presented in South African Rand ("R") which is the group's functional currency.

#### 1.2 Principles of consolidation and equity accounting

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### 1.3 Property, vehicles and equipment

##### Owned assets

Items of property, vehicles and equipment are measured at historical cost, less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The carrying amount of property, vehicles and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposal of an item of property, vehicles and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, vehicles and equipment and are recognised in profit or loss.

##### Leased assets

The entity entered into a lease of a motor vehicle during the financial year ended 31 December 2019.

The lease ended and the vehicle was returned.

##### Significant accounting policy

From 1 January 2019, at inception of a contract, the entity assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the entity assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substitutive right, then the asset is not identified;
- The entity has the right to substantially obtain all of the economic benefits from the asset throughout the period of use;

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## Notes to the Consolidated and Separate Financial Statements

- The entity has the right to direct the use of the asset. The Group has the when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the entity has the right to direct the use of the asset if either;
- The entity has the right to operate the asset; or
- The entity designed the asset in a way that predetermines how and for what purpose it will be used.

The lease liability is initially measured at the present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), including non-recoverable payments that do not transfer a separate service, less any incentives receivable.
- Variable lease payments that are based on an index or rate, measured using the index or rate as at the lease commencement date.
- Amounts that are expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the entity's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the entity uses interest rate implicit in the lease as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments

made. Interest costs are charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. It is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Decommissioning costs

The right-of-use assets (RoU) are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. Refer to note 1.3 for the accounting policy on impairment. The right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease terms on a straight-line basis. The lease term of the right-of-use vehicles is 37 months.

### Depreciation

Land is not depreciated.

Other property, vehicles and equipment are depreciated on a straight line basis at rates calculated to reduce the costs of the assets to their estimated residual values at the end of their expected useful lives as follows:

Buildings	2,00% per annum
Computers	33,33% per annum
Furniture	20,00% per annum
Office machines	20,00% per annum
Vehicles	20,00% per annum

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Solar equipment	10,00% per annum
RoU vehicle	33,33% per annum

The residual value, if not insignificant, is re-assessed annually.

### 1.4 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs of disposal and its value in use.

In assessing value in use, the expected future cash flows from the asset 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 specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

### 1.5 Revenue

#### Sale of goods

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Revenue from the sale of goods is recognised at the fair value of the consideration received or receivable net of indirect taxation, rebates and trade discounts and consists primarily of the sale of services.

Revenue is recognised at a point in time, when the following criteria are met:

- The significant risks and rewards of ownership have been transferred to the purchaser;
- There is no continuing management involvement with the goods;
- The associated costs and possible return of goods can be estimated reliably;
- The amount of revenue can be measured reliably; and recovery of the consideration is probable.

#### Rendering of services

The group is involved in managing German companies' interests in South Africa, as well as performing related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on its relative fair value basis between the different services. The group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed. The SA German Chamber of Commerce and Industry is a principal supplier of services in the following streams:

- Project Revenue
- Delegations and others
- Membership Revenue
- Training Revenue

### 1.6 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Gains and losses arising on translation are recognised in profit or loss. Transactions in foreign currencies are not hedged.

### 1.7 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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## Notes to the Consolidated and Separate Financial Statements

### 1.8 Financial instruments

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

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

- The group derecognises a financial asset when and only when:
- The contractual rights to the cash flows arising from the financial assets have expired or been forfeited by the group; or
- It transfers the financial asset including substantially all the risks and rewards of ownership of the asset; or
- It transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. For loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the loan's recoverable amount can be related objectively to an event occurring after the impairment was recognised.

#### Loans and trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the group as fair value through profit or loss or available for sale. Loans and trade and other receivables are initially measured at fair value and are subsequently measured at amortised value, using the effective interest rate method.

#### Trade and other payables

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in fair value. These are initially and subsequently recorded at fair value.

#### Offset

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities and there is an intention to settle the liability and realise the asset simultaneously or to settle on a net basis, all related financial effects are offset.

### 1.9 New and amended standards adopted by the group

IAS 41, IFRS 9 and IFRS 1 - Annual improvements to IFRS standards 2018-2020, effective for years ending on or after 1 January 2022

Onerous Contracts – Cost of fulfilling a contract – AS 37 Provisions, contingent liabilities and contingent assets, effective for years ending on or after 1 January 2022

Proceeds before intended use – IAS 16 Property, plant and equipment, effective for years ending on or after 1 January 2022

Referencing update – IFRS 3 Business combinations, effective for years ending on or after 1 January 2022

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## Notes to the Consolidated and Separate Financial Statements

### Amendments to IFRS 7 and IFRS 4 Interest rate benchmark reform – Phase 2

The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

These amendments provide certain reliefs in connection with interest rate benchmark (IBOR) reform. The reliefs relate to hedge accounting and have the effect that IBOR should not generally cause hedge accounting to terminate. However, an hedge ineffectiveness should continue to be recorded in the income statement.

### 2.1 Revenue

	Group	Group	Company	Company
Figures in Rand	2022	2021	2022	2021
Membership fees*	1,823,039	1,838,310	1,823,039	1,838,310
Projects*	12,412,972	8,820,263	12,412,972	8,820,263
Training*	3,392,066	2,949,668	3,392,066	2,949,668
Delegations and other*	10,472,404	4,635,508	10,472,404	4,635,508
Total Revenue	<b>28,100,481</b>	<b>18,243,749</b>	<b>28,100,481</b>	<b>18,243,749</b>

\*The payment terms for the above sale of goods and services rendered are in advance or 30 days after invoice.

### 2.2 Net income before finance charges is stated after taking into account:

	Group	Group	Company	Company
Figures in Rand	2022	2021	2022	2021
<b>Government subsidies:</b>	<b>(10,412,512)</b>	<b>(12,838,114)</b>	<b>(9,894,027)</b>	<b>(12,397,821)</b>
DIHK subsidy	-6,731,609	-9,315,153	-6,213,124	-8,874,860
GTAI subsidy	-1,230,058	-1,219,665	-1,230,058	-1,219,665
Skills expert programme	-2,450,845	-2,303,296	-2,450,845	-2,303,296
<b>Operating expenses</b>				
Audit fees	361,955	411,355	361,955	411,355
Depreciation	1,134,318	1,096,820	1,074,123	1,025,268
Project expenses	6,337,042	5,151,646	5,825,495	5,151,646
Function expense	6,568,969	251,916	6,561,608	250,477
Doubtful debt	60,328	337,449	60,328	337,449
Professional fees	1,091,214	2,244,906	1,091,214	2,243,185
Exchange (gain)loss	472,142	362,162	472,142	362,162
Disposal of PPE and SETA refunds	-319,210	-170,289	-319,210	-170,289
Salaries and wages etc.	14,322,617	13,303,172	14,097,574	13,068,160

The operating expenses are disclosed by their function.

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## Notes to the Consolidated and Separate Financial Statements

### 2.2 Government Grants/ Subsidies

Government grants/subsidies that compensate the group for expenses incurred are recognised in profit or loss on a systematic basis in the same period in which the expenses are recognised.

Government grants are recognised at the fair value of the asset received or receivable. A grant without specified future performance conditions is recognised in income when the grant proceeds are receivable. A grant that imposes specified future performance conditions is recognised in income when those conditions are met. Government grants are presented separately from the assets to which they relate. Government grants recognised in income are presented separately in the notes. Government grants received before the income recognition criteria are satisfied are presented as a separate liability in the statement of financial position. No amount is recognised for those forms of government assistance that cannot reasonably have a value placed.

The group receives an annual subsidy from the Deutscher Industrie- und Handelskammertag ("DIHK"), acting as an agent of the German Government. As a result of the subsidy received, the group is required to bilaterally, promote Germany in South Africa and promote South Africa in Germany. Terms and conditions are set out by means of a contract.

	Group	Group	Company	Company
Figures in Rand	2022	2021	2022	2021
DHIC Subsidy for the year	11,765,720	14,229,212	11,247,235	13,788,918
Key Management personnel cost	<u>-5,034,112</u>	<u>-4,914,058</u>	<u>-5,034,112</u>	<u>-4,914,058</u>
Net amount	6,731,608	9,315,154	6,213,124	8,874,860
GTAI Subsidy	1,230,058	1,219,665	1,230,058	1,219,665
Skills expert programme	<u>2,450,845</u>	<u>2,303,296</u>	<u>2,450,845</u>	<u>2,303,296</u>
	10,412,512	12,838,115	9,894,027	12,397,821

- Key management personnel are paid directly from the DIHK and this is reflected as a decrease in the subsidy ultimately received. The other directors of the group are not remunerated for their services as directors of the group.

### 2.3 Finance income:

Finance income comprises interest received on outstanding monies.

### 2.4 Finance costs:

Finance costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

# Southern African German Chamber of Commerce and Industry

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## Notes to the Consolidated and Separate Financial Statements

### 3. Property, plant and equipment

#### Group 2022

Figures in Rand	Land	Building	Solar Equipment	Furniture	Computers and Office Machines	Vehicles	RoU Vehicle	Total
At the beginning of the year	2 900 000	2 514 469	207 398	969 544	3 092 322	2 013 287	557 207	12 254 227
Additions	0	0	0	12 636	299 004	864 400	0	1 176 040
Scrapping and other disposals	0	0	0	0	(177 863)	(523 845)	(557 207)	(1 258 915)
	<b>2 900 000</b>	<b>2 514 469</b>	<b>207 398</b>	<b>982 180</b>	<b>3 213 463</b>	<b>2 353 842</b>	<b>0</b>	<b>12 171 352</b>
Accumulated depreciation								
At the beginning of the year	0	941 316	146 908	681 944	1 997 849	1 195 344	394 865	5 358 226
Depreciation	0	50 289	20 740	86 567	568 099	246 281	162 342	1 134 318
Scrapping and other disposals	0	0	0	0	(143 685)	(523 845)	(557 207)	(1 224 737)
	-	<b>991 605</b>	<b>167 648</b>	<b>768 511</b>	<b>2 422 263</b>	<b>917 780</b>	<b>0</b>	<b>5 267 807</b>
Net book value 2022	<b>2 900 000</b>	<b>1 522 864</b>	<b>39 750</b>	<b>213 669</b>	<b>791 200</b>	<b>1 436 062</b>	<b>0</b>	<b>6 903 545</b>

#### Company 2022

	Land	Building	Solar Equipment	Furniture	Computers and Office Machines	Vehicles	RoU Vehicle	Total
At the beginning of the year	2 900 000	2 514 469	207 398	964 432	3 064 036	1 704 532	557 207	11 912 074
Additions	0	0	0	12 636	266 182	864 400	0	1 138 984
Scrapping and other disposals	0	0	0	0	(153 810)	(523 845)	(557 207)	(1 234 864)
	<b>2 900 000</b>	<b>2 514 469</b>	<b>207 398</b>	<b>964 432</b>	<b>3 064 036</b>	<b>1 704 532</b>	<b>0</b>	<b>11 820 430</b>
Accumulated depreciation								
At the beginning of the year	0	941 316	146 908	681 006	1 972 800	938 048	394 865	5 074 943
Depreciation	0	50 289	20 740	85 545	560 385	194 822	162 342	1 076 795
Scrapping and other disposals	0	0	0	0	(119 632)	(523 845)	(557 207)	(1 200 686)
	-	<b>991 605</b>	<b>167 648</b>	<b>766 551</b>	<b>2 413 553</b>	<b>609 025</b>	<b>0</b>	<b>4 948 382</b>
Net book value 2022	<b>2 900 000</b>	<b>1 522 864</b>	<b>39 750</b>	<b>210 517</b>	<b>762 855</b>	<b>1 436 062</b>	<b>0</b>	<b>6 872 048</b>

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## 3. Property, plant and equipment Group 2021

Figures in Rand	Land	Building	Solar Equipment	Furniture	Computers and Office Machines	Vehicles	RoU Vehicle	Total
At the beginning of the year	2 900 000	2 514 469	207 398	1 103 314	3 052 108	1 713 705	557 207	121 048 200
Additions	0	0	0	5 111	622 710	470 402	0	1 098 223
Scrapping and other disposals	0	0	0	(138 881)	(582 496)	(170 820)	0	(892 198)
	<b>2 900 000</b>	<b>2 514 469</b>	<b>207 398</b>	<b>969 544</b>	<b>3 092 322</b>	<b>2 013 287</b>	<b>557 207</b>	<b>12 254 225</b>
Accumulated depreciation								
At the beginning of the year	0	891 027	126 168	723 950	1 975 313	1 221 381	214 145	5 151 985
Depreciation	0	50,289	20 740	96 875	603 413	144 783	180 720	1 096 820
Scrapping and other disposals	0	0	0	(138 881)	(580 877)	(170 820)	0	(890 579)
	<b>0</b>	<b>941 316</b>	<b>146 908</b>	<b>681 944</b>	<b>1 997 849</b>	<b>1 195 344</b>	<b>394 865</b>	<b>5 358 226</b>
Net book value 2021	<b>2 900 000</b>	<b>1 573 153</b>	<b>60 490</b>	<b>287 600</b>	<b>1 094 473</b>	<b>817 943</b>	<b>162 342</b>	<b>6 896 001</b>

Company 2021	Land	Building	Solar Equipment	Furniture	Computers and Office Machines	Vehicles	RoU Vehicle	Total
At the beginning of the year	2 900 000	2 514 469	207 398	1 103 313	3 023 822	1 404 950	557 207	11 711 160
Additions	0	0	0	0	622 710	470 402		1 093 112
Scrapping and other disposals	0	0	0	(138 881)	(582 496)	(170 820)	0	(892 198)
	<b>2 900 000</b>	<b>2 514 469</b>	<b>207 398</b>	<b>964 432</b>	<b>3 064 036</b>	<b>1 704 532</b>	<b>557 207</b>	<b>11 912 074</b>
Accumulated depreciation								
At the beginning of the year	0	891 027	126 168	723 949	1 959 129	1 025 836	214 145	4 940 254
Depreciation	0	50 289	20 740	95 938	594 548	83 032	180 720	1 025 267
Scrapping and other disposals	0	0	-	(138 881)	(580 877)	(170 820)	-	(890 579)
	<b>-</b>	<b>941 316</b>	<b>146 908</b>	<b>681 006</b>	<b>1 972 800</b>	<b>938 048</b>	<b>394 865</b>	<b>5 074 943</b>
Net book value 2021	<b>2 900 000</b>	<b>1 573 153</b>	<b>60 490</b>	<b>283 426</b>	<b>1 091 236</b>	<b>766 484</b>	<b>162 342</b>	<b>6 837 131</b>

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## Notes to the Consolidated and Separate Financial Statements

3.1 The acquisition date of the land and building was the 23 December 1994. The land and buildings comprise of Stand 737 located in Forest Town together with office buildings thereon.

The land is secured by a continuing covering mortgage bond to the extent of R2,900,000 in favour of Deutscher Industrie-und Handelstag for any amounts owing.

### 4.1 Trade and other receivables Financial instruments

	Group	Group	Company	Company
Figures in Rand	2022	2021	2022	2021
Trade receivables	5,755,010	892,680	5,755,010	892,680
Unbilled receivables	0	315,000	0	315,000
Trade receivable impairments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	5,755,010	1,207,680	5,755,010	1,207,680
Sundry debtors	240,469	110,972	240,469	110,972
Staff loan	<u>240,523</u>	<u>259,428</u>	<u>240,523</u>	<u>259,428</u>
	6,236,002	1,578,080	6,236,002	1,578,080
<b>Non financial assets</b>				
Value added taxation	<u>167,139</u>	<u>233,080</u>	<u>167,139</u>	<u>233,080</u>
	6,403,141	1,811,160	6,403,141	1,811,160

### Exposure to credit risk – Trade receivables

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and receivables. Management monitors credit risk on an ongoing basis. Impairment for doubtful and bad debts is calculated based on past experience and represents management's best estimate of recoverability.

	Group	Group	Company	Company
Figures in Rand	2022	2021	2022	2021
	Trade	Trade	Trade	Trade
	receivables	Receivables	receivables	receivables
Not past due	3,707,668	340,855	3,707,668	340,855
31-60 days past due	1,606,776	547,572	1,606,776	547,572
61-90 days past due	11,028	183,338	11,028	183,338
91-120 days past due	270,635	48,600	270,635	48,600
More than 120 days past due	<u>158,904</u>	<u>87,315</u>	<u>158,904</u>	<u>87,315</u>
	5,755,010	1,207,680	5,755,010	1,207,680
Expected credit loss	0	0	0	0

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## Notes to the Consolidated and Separate Financial Statements

### 5. Trade and other trade payables

<b>Figures in Rand</b>	<b>Group 2022</b>	<b>Group 2021</b>	<b>Company 2022</b>	<b>Company 2021</b>
Trade payables	997,942	687,002	997,942	687,002
Other payables	<u>250,691</u>	<u>191,136</u>	<u>250,691</u>	<u>191,136</u>
	1,248,633	878,139	1,248,633	878,139
Employees accrued leave pay	489,982	433,951	489,984	428,503
Deferred income	2,372,778	3,657,545	2,372,778	3,657,545

### 6. Provisions

<b>Figures in Rand</b>	<b>Group 2022</b>	<b>Group 2021</b>	<b>Company 2022</b>	<b>Company 2021</b>
Balance at the beginning of the year	2,940,189	2,177,899	2,940,189	2,164,659
Provisions raised during the year	2,535,833	2,724,353	2,535,833	2,737,593
Settlements of provisions during the year	<u>-2,514,016</u>	<u>-1,962,063</u>	<u>-2,514,016</u>	<u>-1,962,063</u>
	2,962,006	2,940,189	2,962,006	2,940,189

Provisions at year-end relate to the following:

<b>Figures in Rand</b>	<b>Group 2022</b>	<b>Group 2021</b>	<b>Company 2022</b>	<b>Company 2021</b>
Repayment of subsidies	2,057,047	2,670,189	2,057,047	2,670,189
Employee liabilities	573,284	0	573,284	0
Audit, legal and COIDA expenses	<u>331,675</u>	<u>270,000</u>	<u>331,675</u>	<u>270,000</u>
	2,962,006	2,940,189	2,962,006	2,940,189

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## Notes to the Consolidated and Separate Financial Statements

### 7. Finance lease liability

The statement of financial position shows the following amounts relating to the lease liability:

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
Current Liability	0	360,098	0	360,098
Non current Liability	0	0	0	0
Total lease liability	0	360,098	0	360,098
<b>Present value of minimum lease payment due:</b>				
Within one year	0	360,098	0	360,098
In second to fifth year inclusive	0	0	0	0
Less future finance costs	0	0	0	0
	0	360,098	0	360,098

The entity leased a BMW i3 motor vehicle linked to an instalment sale agreement. This agreement was subject to monthly compounded interest. The agreement came to an end in November 2022.

### 8. Retirement benefit information

All of the group's employees belong to a defined contribution plan. The contribution plan is a provident fund scheme governed by the Pension Funds Act. The provident fund scheme is not actuarially valued.

### 9. Contingent Asset

A contingent asset is a potential economic benefit that is dependent on future events out of a company's control. These assets cannot be recorded in the balance sheet. A liquidity reserve, amounting to Euro 34 535 is held with the Deutsche Industrie- und Handelstag. This has been the arrangement since 31 December 1995.

### 10. Taxation

The taxation has not been provided, as the company is exempt from taxation.

### 11. Retained Surplus

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
Revenue reserves	14,529,871	13,645,372	14,498,372	13,591,948
Capital reserves	2,900,000	2,900,000	2,900,000	2,900,000
	17,429,871	16,545,372	17,398,372	16,491,948

The capital reserves resulted from a special subsidy received from the Deutsche Industrie- und Handelstag, see also Note 3.1.

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## Notes to the Consolidated and Separate Financial Statements

### 12. Related parties

#### Transactions with related parties:

The entity has a subsidiary in Lusaka/Zambia (Southern African German Chamber of Commerce and Industry Ltd).

It is a private company limited by guarantee with 15,000 shares.

K14,999 shares are held by the SA German Chamber of Commerce and Industry NPC and K1 share is held by the CEO of the SA German Chamber of Commerce and Industry NPC, MWH Boddenberg.

#### Key management \*\*

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
Subsidy received from DIHK	6,731,608	9,315,153	6,213,124	8,874,860
*Directors remuneration: MWH Boddenberg				
Salary	2,781,414	2,844,045	2,781,414	2,844,045
Fringe Benefit	864,400	150,000	864,400	150,000
Group contributions and allowances	602,932	652,837	602,932	652,837
	<u>4,248,746</u>	<u>3,646,882</u>	<u>4,248,746</u>	<u>3,646,882</u>

\*The amounts disclosed above are paid directly by the Deutscher Industrie- und Handelstag and not the group and is reflected as a decrease in the subsidy ultimately received by the group.

\*\* Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The other directors of the group are not remunerated for their services as directors of the group.

A contingent asset is a potential economic benefit that is dependent on future events out of a company's control. These assets cannot be recorded in the balance sheet. A liquidity reserve, amounting to Euro 34 535 is held with the Deutsche Industrie- und Handelstag. This has been the arrangement since 31 December 1995.

Provisions due to the Deutscher Industrie- und Handelstag at year end amounts to EU 54,666.

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## Notes to the Consolidated and Separate Financial Statements

### 13.1 Cash flows from operating activities

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
<b>Cash flow from operating activities</b>				
Net income for the year	884,499	16,068	906,424	74,717
Adjustments for:				
Interest income	-82,384	-43,474	-82,384	-43,747
Interest expense	24,551	29,042	24,551	29,042
Depreciation and amortisation	1,134,318	1,096,820	1,076,795	1,025,268
Impairment of asset	34,178	1,617	34,178	1,617
Foreign exchange gain/loss	-615,797	-154,461	-615,797	-154,461
Bad debt expense	60,328	337,449	60,328	337,447
Gain on sale of PPE & Seta refunds	-319,210	-170,289	-319,210	-170,289
Non cash movement	-215,318	174,692	-215,318	217,200
<b>Changes in working capital</b>				
Movement in trade and other receivables	-4,652,308	1,627,040	-4,652,308	1,627,040
Movement in trade and other payables	-914,273	-5,703,776	-914,273	-5,703,776
Movement in provisions	-21,817	1,157,541	-21,817	1,122,776
<b>Cash generated in operations</b>	<b>-4,683,233</b>	<b>-1,631,731</b>	<b>-4,718,831</b>	<b>-1,637,166</b>

### 13.2 Cash and cash equivalents

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
Funds on call, cash in bank	11,187,538	16,105,083	11,187,538	16,105,083
Cash on hand	9,046	3,049	9,046	3,049
	11,196,584	16,108,133	11,196,584	16,108,133

## 14. Financial instruments

### Overview

The group has exposure to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.
- Foreign currency risk.

Information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework.

### Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's loans and receivables.

Management monitors credit risk on an ongoing basis.

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## Notes to the Consolidated and Separate Financial Statements

Impairment for doubtful and bad debts is calculated based on past experience and represents management's best estimate of recoverability.

### Exposure to credit risk

The exposure to credit risk with respect to cash and cash equivalents is low. The entity ensures cash is placed with institutions of a lower credit rating and manages the concentration of cash placed. While cash and cash equivalents are also subject to the impairments of IFRS 9, the identified impairment loss was immaterial.

### Bank credit ratings

The table below depicts the credit ratings:

Credit quality of lenders	Moody's credit ratings
Nedbank	Ba - 2
Deutsche Bank	A - 1
Hypovereinsbank	A - 2

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is detailed below.

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
Trade and other receivables	6,403,141	1,578,080	6,403,141	1,578,080
Cash and cash equivalents	<u>11,196,584</u>	<u>16,108,133</u>	<u>11,196,584</u>	<u>16,108,133</u>
	17,599,725	17,686,213	17,599,725	17,686,213

### Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's liquidity is managed tightly to ensure financial obligations are paid as they fall due. The detailed budgets prepared at the beginning of the year are a sound basis for the DIHK to decide on the amount of the subsidy to fund the expected operational expenses for the year. Excess surplus are required to be repaid to the DIHK. The group has an overdraft facility of R500 000 which can be utilised to meet obligations as they fall due.

The following are the contractual maturities of financial liabilities, including estimated interest payments for the group:

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### Non-derivative financial Instruments

Figures in Rand	Group & Company		Group & Company	
	Carrying amount 2022	Contractual Cash flow 2022	1 year or less 2022	2 to 5 years 2022
Trade and other payables	1,248,633	1,248,633	1,248,633	0
Finance lease liability	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1,248,633	1,248,633	1,248,633	0

Figures in Rand	Group & Company		Group & Company	
	Carrying amount 2021	Contractual Cash flow 2021	1 year or less 2021	2 to 5 years 2021
Trade and other payables	878,139	878,139	878,139	0
Finance lease liability	<u>360,098</u>	<u>360,098</u>	<u>360,098</u>	<u>0</u>
	1,238,237	1,238,237	1,238,237	0

### Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates and interest rates, will affect the group's income or value of its holdings of financial instruments.

### Foreign currency risk

Foreign exchange risk refers to the losses that an international financial transaction may incur due to currency fluctuations. Foreign exchange risk can also affect investors, who trade in international markets, and businesses engaged in the import/export of products or services to multiple countries.

The DIHK pays a significant annual subsidy in Euros to the group. The group maintains a foreign bank account with Deutsche Bank in Euros to receive Euro payments and to pay foreign invoices as and when they arise.

The group does not enter into forward exchange contracts to hedge against foreign currency risk arising from foreign currency denominated bank balances. The group repatriates foreign currency receipts in South African Rands as soon as practical upon receipt and maintains funds on foreign currency account only to the extent that these funds are required to meet foreign currency denominated costs or obligations. The fair value of the cash and cash equivalents approximate their carrying value.

The group's net exposure to foreign currency risk was as follows:

Group and Company	EURO	EURO	ZAR	ZAR
	2022	2021	2022	2021
Cash and cash equivalents	524,177	789,634	9,571,262	14,242,076
Trade receivables	229,341	7,257	4,187,675	130,882
Provisions	<u>149,717</u>	<u>153,040</u>	<u>2,733,772</u>	<u>2,760,275</u>
	903,235	949,931	16,492,709	17,133,233

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The following significant average exchange rates applied at the reporting period:

	2022	2021
Euro	17,2227	17,6247

### Interest rate risk

At the reporting date the interest rate profile of the group's interest-bearing financial instruments

Carrying amount for variable rate instruments

Figures in Rand	Group 2022	Group 2021	Company 2022	Company 2021
Funds on call, cash in bank	11,187,538	16,105,083	11,187,538	16,105,083
Finance lease liability	<u>0</u>	<u>-360,098</u>	<u>0</u>	<u>-360,098</u>
	11,187,538	15,744,985	11,187,538	15,744,985

### 15. Cash flow sensitivity analysis for variable rate instruments

A decrease of 100 basis points in interest rates at the reporting date would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2021. An increase in interest rates would have an equal but opposite effect on profit or loss.

Sensitivity analysis	2022 increase	2022 decrease	2021 increase	2021 decrease
Profit or loss 100 bp increase	111,051		157,449	
Profit or loss 100 bp decrease	<u>111,051</u>	<u>-111,051</u>	<u>157,449</u>	<u>-157,449</u>

### Fair values and accounting classification

#### Asset at amortised cost

The fair value of loans and receivables are estimated at carrying value, as these instruments are short term in nature and thus carrying amount approximates fair value.

#### Liabilities at amortised cost

The fair value of liabilities at amortised costs are estimated at carrying value, as these instruments are short term in nature and thus carrying amount approximates fair value.

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The table below summarises the accounting classifications of financial assets and liabilities and their respective carrying amounts and fair values:

### 2022 Group and Company

Figures in Rand	Assets at amortised cost	Assets at amortised cost	Total carrying amount	Fair value
<b>Financial assets</b>				
Trade receivables	6,403,141	6,403,141	6,403,141	6,403,141
Cash and cash equivalents	11,196,584	11,196,584	11,196,584	11,196,584
	<u>17,599,725</u>	<u>17,599,725</u>	<u>17,599,725</u>	<u>17,599,725</u>

### 2021 Group and Company

Figures in Rand	Assets at amortised Costs	Assets at amortised cost	Total carrying amount	Fair Value
<b>Financial assets</b>				
Trade and receivables	1,578,080	1,578,080	1,578,080	1,578,080
Cash and cash equivalents	16,108,133	16,108,133	16,108,133	16,108,133
	<u>17,686,213</u>	<u>17,686,213</u>	<u>17,686,213</u>	<u>17,686,213</u>

### 2022 Group and Company

Figures in Rand	Loans and Payables	Liabilities at amortised Cost	Total carrying amount	Fair Value
<b>Financial liabilities</b>				
Trade and other payables	1,248,633	1,248,633	1,248,633	1,248,633
Finance lease liability	0	0	0	0
	<u>1,248,633</u>	<u>1,248,633</u>	<u>1,248,633</u>	<u>1,248,633</u>

### 2021 Group and Company

Figures in Rand	Loans and Payables	Liabilities at amortised cost	Total carrying amount	Fair Value
<b>Financial liabilities</b>				
Trade and other payables	878,139	878,139	878,139	878,139
Finance lease liability	360,098	360,098	360,098	360,098
	<u>1,238,237</u>	<u>1,238,237</u>	<u>1,238,237</u>	<u>1,238,237</u>

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### 16. International Financial Reporting Standards

International financial reporting standards and amendments to existing standards not yet effective.

At the date of authorisation of these annual financial statements, the following new or revised accounting standards and amendments to existing standard applicable to the group were in issue but not yet effective:

Amendments to IAS1, IAS8, IAS12, IAS16, IAS37, IFRS1, IFRS9, IFRS16, IFRS10.

The Group did not elect to adopt any new revised or amended accounting standards or interpretations. The impact is not expected to be material.

### 17. Events after the reporting date

There were no material events between the reporting date and the date of the directors' approval of the financial statements that would have a material effect on the financial statements.

### 18. Going concern

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that Southern African German Chamber of Commerce and Industry will not be a going concern in the year ahead, based on forecasts and available cash resources. These financial statements support the viability of Southern African German Chamber of Commerce and Industry.