

Committee of Higher Education Libraries of South Africa

(Registration Number 140-828 NPO)

Annual Financial Statements

for the year ended 31 December 2023

Audited Financial Statements

in compliance with the Non-profit Organisation Act of South Africa

Committee of Higher Education Libraries of South Africa

(Registration Number 140-828 NPO)

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Committee of Higher Education Libraries of South Africa

(Registration Number 140-828 NPO)

Annual Financial Statements for the year ended 31 December 2023

General Information

Country of Incorporation and Domicile	South Africa
Executive Committee	Dr D Selematsela Ms N Danster Ms J Molopyane Mr L Reid Dr N Mosala-Bryant Dr K Maphopha
Registered Office	228 Johannes Ramokhoase (Proes) Street Pretoria 0001
Bankers	ABSA Bank
Auditors	Thornton Dobb Rossal Ubucule 208 Ockert Street Wierdapark Centurion 0149

Committee of Higher Education Libraries of South Africa

(Registration Number 140-828 NPO)

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Executive Committee's Responsibilities and Approval

The executive committee is required by the Non-profit Organisation Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit organisation, and explain the transactions and financial position of the business of the non-profit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit organisation and supported by reasonable and prudent judgements and estimates.

The focus of risk management in the non-profit organisation is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit organisation. While operating risk cannot be fully eliminated, the non-profit organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The executive committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the executive committee has no reason to believe that the non-profit organisation will not be a going concern in the foreseeable future. The annual financial statements support the viability of the non-profit organisation.

The annual financial statements have been audited by the independent auditing firm, Thornton Dobb Rossal Ubucule, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the executive committee and committees of the executive committee. The executive committee believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 5 to 7.

The annual financial statements set out on pages 9 to 17, and the supplementary information set out on page 18 which have been prepared on the going concern basis, were approved by the executive committee and were signed on 01/08/2024 on its behalf by:



Chairperson



Treasurer

Committee of Higher Education Libraries of South Africa

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Annual Financial Statements for the year ended 31 December 2023

Report of the Executive Committee

The Executive Committee present their report for the year ended 31 December 2023.

1. Review of activities

Main business and operations

The non-profit organisation is a voluntary association which represents the interest of libraries in the public higher education sector

2. 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 Executive Committee believes that the non-profit organisation 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 Executive Committee has satisfied itself that the non-profit organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The Executive Committee is not aware of any new material changes that may adversely impact the non-profit organisation. The Executive Committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the non-profit organisation.

The annual financial statements have been prepared on the going concern basis, since the executive committee has every reason to believe that the non-profit organisation has adequate resources in place to continue in operation for the foreseeable future.

3. Events after reporting date

The Executive Committee is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit organisation.

4. Executive Committee

The Executive Committee during the date of this report are as follows:

Dr D Selematsela

Ms N Danster

Ms J Molopyane

Mr L Reid

Dr N Mosala-Bryant

Dr K Maphopha

5. Independent Auditors

Thornton Dobb Rossal Ubucole were the independent auditors for the year under review.

Durban:
Tel: +27(31) 584 7455
Fax: +27(31)584 7456
Email: admin@tdru.co.za
Office: 01 Millenium Boulevard,

0101, Standard Bank Building,
Umhlanga Ridge, 4319
Practice No.: 903849



Reg. No.: 2016/411575/21

Gauteng:
Tel: +27(87)805 7454
Fax: +27 (86) 689 0487
Email: info@tdru.co.za
Office: 208 Ockert Street,

Wierdapark,
Centurion, 0149
Practice No.: 903849 - 0001

Independent Auditor's Report

To the Committee of Higher Education Libraries of South Africa.

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the financial statements of the Committee of Higher Education Libraries of South Africa (the organisation) set out on pages 9-17, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Committee of Higher Education Libraries of South Africa as of 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities and the requirements of the companies Act 71 of 2008.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), part 1 and 3 of the Independent Regulatory Board for Auditor's Code of Professional Conduct for Registered Auditors (Revised November 2018) (together with IRBA codes) 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) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors

B. Mnganga, CA (SA) | R. Xaba, CA (SA)

Assessment of key internal controls

No findings or internal control weakness were identified during the audit. As a result, we did not prepare a management letter.

Responsibility of the accounting authority for the financial information

The accounting authority is responsible for the preparation and fair presentation of the annual income and expenditure report in accordance with the SA Standards of GRAP and for such internal control as the accounting authority determines it necessary to enable the preparation of annual income and expenditure report that is free from material misstatement, whether due to fraud or error.

Responsibilities of the executive committee for the Financial Statements

The executive committee is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee is continuing as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Conclude on the appropriateness of the executive committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the executive committee 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.

TDRU INC.

TDRU Incorporated
Per: Rosetta Xaba
Partner
Chartered Accountants (SA)
Registered Auditor

23 July 2024
Centurion

Report of the Compiler

To the Executive Committee of Committee of Higher Education Libraries of South Africa

We have compiled the accompanying financial statements of Committee of Higher Education Libraries of South Africa based on information you have provided. These financial statements comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-profit Organisation Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

The Executive Committee is also responsible to users of the financial information compiled by us. This includes the maintenance of adequate accounting records and internal controls and the selection and application of appropriate accounting policies.

Accounting and Secretarial duties

With the written consent of the Executive Committee we have performed certain accounting and secretarial duties, which includes the preparation of the financial statements.

NK Accounting Services

1 August 2024

Date



Nikki Kennedy -

Professional Accountant (SA)

SAIPA Membership # 19227

Units 152 to 154
Soetdoring Offices
7 Protea Street
Doringkloof
0157

Committee of Higher Education Libraries of South Africa

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Financial Statements for the year ended 31 December 2023

Statement of Financial Position

Figures in R

	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	3	21,397	3
Current assets			
Trade and other receivables	4	13,758	574
Cash and cash equivalents	5	2,567,177	2,307,721
Total current assets		2,580,935	2,308,295
Total assets		2,602,332	2,308,298
Reserves and liabilities			
Reserves			
Accumulated surplus		2,450,496	2,186,186
Liabilities			
Current liabilities			
Trade and other payables	6	151,836	122,112
Total reserves and liabilities		2,602,332	2,308,298

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Statement of Comprehensive Income

Figures in R	Notes	2023	2022
Revenue	7	407,040	393,472
Operating costs	8	(312,968)	(246,102)
Other gains and (losses)	9	999	(1)
Surplus from operating activities		95,071	147,369
Finance income	10	169,240	90,763
Surplus for the year		264,311	238,133

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Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
Balance at 1 January 2022	1,948,053	1,948,053
Surplus for the year	238,133	238,133
Balance at 31 December 2022	2,186,186	2,186,186
Balance at 1 January 2023	2,186,186	2,186,186
Surplus for the year	264,311	264,311
Balance at 31 December 2023	2,450,496	2,450,496

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Statement of Cash Flows

Figures in R

	Note	2023	2022
Cash flows from operations			
Surplus for the year		264,311	238,133
Adjustments to reconcile surplus			
Adjustments for finance income		(169,240)	(90,763)
Adjustments for decrease in trade accounts receivable		136,254	12,994
Adjustments for increase in other operating receivables		(149,438)	-
Adjustments for increase / (decrease) in trade accounts payable		2,398	(2,404)
Adjustments for increase in other operating payables		27,326	106,272
Adjustments for depreciation and amortisation expense		7,131	418
Adjustments for gains and losses on disposal of non-current assets		(999)	1
Total adjustments to reconcile surplus		(146,568)	26,518
Net cash flows from operations		117,742	264,651
Interest received		169,240	90,763
Net cash flows from operating activities		286,982	355,415
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		1,000	-
Purchase of property, plant and equipment		(28,526)	-
Cash flows used in investing activities		(27,526)	-
Net increase in cash and cash equivalents		259,456	355,415
Cash and cash equivalents at beginning of the year		2,307,721	1,952,306
Cash and cash equivalents at end of the year	5	2,567,177	2,307,721

Committee of Higher Education Libraries of South Africa

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Financial Statements for the year ended 31 December 2023

Accounting Policies

1. General information

Committee of Higher Education Libraries of South Africa ('the non-profit organisation') is a voluntary association which represents the interest of libraries in the public higher education sector.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Committee of Higher Education Libraries of South Africa have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Non-profit Organisation Act of South Africa. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the executive committee.

The non-profit organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the non-profit organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life
Computer equipment	3 Years
Computer software	3 Years

2.2 Financial instruments

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the non-profit organisation will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents include cash with banks.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised using the effective interest method.

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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in R

2023

2022

3. Property, plant and equipment

Balances at year end and movements for the year

	Computer equipment	Computer software	Total
Reconciliation for the year ended 31 December 2023			
Balance at 1 January 2023			
At cost	26,644	17,250	43,894
Accumulated depreciation	(26,643)	(17,248)	(43,891)
Carrying amount	1	2	3
Movements for the year ended 31 December 2023			
Additions from acquisitions	28,526	-	28,526
Depreciation	(7,131)	-	(7,131)
Disposals	(1)	-	(1)
Property, plant and equipment at the end of the year	21,395	2	21,397
Closing balance at 31 December 2023			
At cost	28,526	17,250	45,776
Accumulated depreciation	(7,131)	(17,248)	(24,379)
Carrying amount	21,395	2	21,397
Reconciliation for the year ended 31 December 2022			
Balance at 1 January 2022			
At cost	33,644	17,250	50,894
Accumulated depreciation	(33,642)	(16,830)	(50,472)
Carrying amount	2	420	422
Movements for the year ended 31 December 2022			
Depreciation	-	(418)	(418)
Disposals	(1)	-	(1)
Property, plant and equipment at the end of the year	1	2	3
Closing balance at 31 December 2022			
At cost	26,644	17,250	43,894
Accumulated depreciation	(26,643)	(17,248)	(43,891)
Carrying amount	1	2	3

4. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	(135,680)	574
Prepayments received	149,248	-
Suppliers paid in advance	190	-
Total trade and other receivables	13,758	574

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Notes to the Financial Statements

Figures in R

2023

2022

5. Cash and cash equivalents

Favourable cash balances

ABSA Savings Account	144,905	53,478
ABSA Depositor Plus	2,422,272	2,254,243
	<u>2,567,177</u>	<u>2,307,721</u>

6. Trade and other payables

Trade and other payables comprise:

Trade creditors	2,588	-
Prepayments received	149,248	122,112
Total trade and other payables	<u>151,836</u>	<u>122,112</u>

7. Revenue

Revenue comprises:

Membership fees received	407,040	393,472
Total revenue	<u>407,040</u>	<u>393,472</u>

8. Other expenses

Other expenses comprise:

Accounting fees	31,050	29,946
AGM expenses	35,424	23,118
Auditors' remuneration	10,911	10,845
Bank charges	4,016	1,789
Communication	1,188	1,188
Computer expenses	18,111	16,882
Depreciation	7,131	418
Employee benefit expenses	150,820	125,216
Exco expenses	-	21,194
Gifts	1,035	5,525
OGM Expenses	40,644	-
SARS penalties and interest	-	364
Travel - Local	12,639	9,618
Total other expenses	<u>312,968</u>	<u>246,102</u>

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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in R

2023

2022

9. Other gains and (losses)

Other gains and (losses) comprise:

Gain or (loss) on disposal of assets

999

(1)

Total other gains and (losses)

999

(1)

10. Finance income

Finance income comprises:

Investment income

169,240

90,763

Total finance income

169,240

90,763

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Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in R	Notes	2023	2022
Revenue	7		
Membership fees received		407,040	393,472
Expenditure	8		
Accounting fees		(31,050)	(29,946)
AGM expenses		(35,424)	(23,118)
Auditors' remuneration		(10,911)	(10,845)
Bank charges		(4,016)	(1,789)
Communication		(1,188)	(1,188)
Computer expenses		(18,111)	(16,882)
Depreciation - Tangible assets		(7,131)	(418)
Employee costs - salaries		(150,820)	(125,216)
Exco expenses		-	(21,194)
Gifts		(1,035)	(5,525)
OGM Expenses		(40,644)	-
SARS penalties and interest		-	(364)
Travel - Local		(12,639)	(9,618)
		(312,968)	(246,102)
Other gains and losses	9		
Profit / (Loss) on disposal of fixed assets		999	(1)
Surplus from operating activities		95,071	147,369
Finance income	10		
Investment income		169,240	90,763
Surplus for the year		264,311	238,133