

LRS Labour
Research
Service

Annual Report 2023

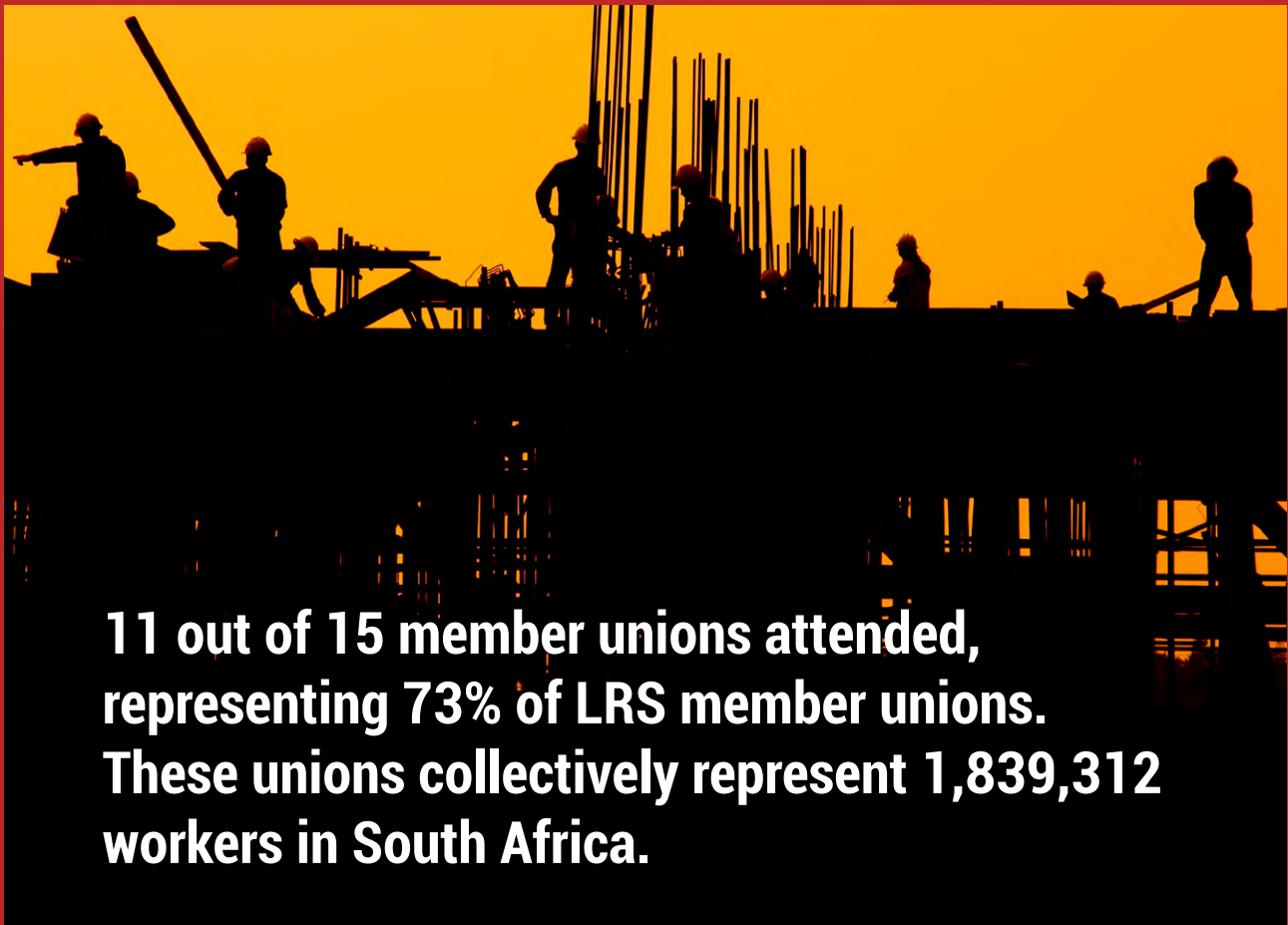
Abbreviations

ALREI	Africa Labour Research and Education Institute
CCMA	Commission for Conciliation, Mediation and Arbitration
CEPPWAWU	Chemical, Energy, Paper & Printing Workers Union
COSATU	Congress of South African Trade Unions
DENOSA	Democratic Nursing Organisation of South Africa
DGB-BW	Solidarity Support Organisation
DITIKENI	Ethical Investment Trust
DoEL	Department of Employment & Labour
EI	Education International
FAWU	Food and Allied Workers
FEDUSA	Federation of Unions of South Africa
FES TUCC	Friedrich Ebert Stiftung
GENDER AT WORK	NGO
HOSPERSA	Health & Other Services Personnel Trade Union of South Africa
HSRC	Human Sciences Research Council
IDWF	International Domestic Workers Federation
IFWEA	International Federation of Workers Education Associations
ILO	International Labour Organisation
ILRIG	International Labour Resource and Information Group
IMATU	Municipal Workers
INDUSTRIALL	Global Union Federation
ITUC AFRICA	International Trade Union Confederation - Africa
IZWI	Domestic workers alliance
JASS	Just Associates
LT Productions	Audio-visual Production
MAWUSA	Maanda-Ashu Workers Union
MEWUSA	Metal and Allied Workers Union
MIWUSA	Migrant Workers Union
NALEDI	Labour Support Organisation
NEDLAC	National Economic Development and Labour Council
NEHAWU	Educational and Health Workers Union
NMWC	National Minimum Wage Commission
NUM	Mineworkers
NUMSA	Metalworkers
Olof Palme Centre	Solidarity Support Organisation
OTHER FOUNDATION	Grantmaking organisation
POPCRU	Prison Workers Union
PSI	Public Service International
SACCAWU	Commercial and Catering Workers Union
SACTWU	Clothing and Textile Workers Union
SACWF	South African Care Workers Forum
SADSAWU	Domestic Workers Union
SADTU	Teachers Union
SAFTU	South African Federation of Trade Unions
SAMWU	Municipal Workers Union
SASK	Solidarity Support Organisation
SATAWU	Transport Workers Union
Solidarity Centre	Solidarity Support Organisation
The Coding Ground	Tech Consultancy
TIPS	Trade and Industrial Policy Strategies
TOWU	Transport Workers Union
UCT	University of Cape Town
UDWOSA	Domestic Workers Union
UMP	University of Mpumalanga
UNI	United Network International
UNTU	Transport Workers Union
WIEGO	Women in informal employment

36th LRS AGM attendance highlights

The Labour Research Service sets out to realise good governance, the retention and development of skilled people and to cultivate a supportive environment from which to make the best possible contribution to the labour movement in South Africa, on the continent, and globally.

The board of directors, elected from the member trade unions of the LRS met four times in 2023 to play its governance role and I am pleased to say that the average attendance was 90% across these meetings. I will remind you that board members are not remunerated for their efforts and that we can only understand their efforts as a sincere commitment to the trade union movement. 11 out of 15 member unions attended, representing 73% of LRS member unions. These unions collectively represent 1,839,312 workers in South Africa.



**11 out of 15 member unions attended,
representing 73% of LRS member unions.
These unions collectively represent 1,839,312
workers in South Africa.**

Chairperson's Report



Our independently audited financial statements are evidence of our transparency and accountability every year and we are pleased to report a clean or unqualified once again.

Our ability to reflect good governance, act in cooperation with other like-minded organisations and retain and develop the skills, capacity, and relationships required to deliver quality work are our greatest assets.

At the level of the board of directors and the annual general meeting, it continues to impress me how a group of trade unionists from different unions and different sectors with different roles can work together so constructively for the benefit of this labour support organisation and its role in the trade union movement.

The staffing complement of the LRS has remained remarkably stable over time and we are pleased to have welcomed two younger staff members in recent years. The LRS supports staff to drive their personal and intellectual development.

The international cooperation and development environment is increasingly challenging for us and other civil society organisations. An ongoing shift to the right in European politics taken together with the wars in Ukraine and Gaza is contributing to a reframing of international cooperation away from solidarity support and towards an approach that is far more instrumentalist, and one that seeks to advance national interests first and foremost.

We believe that our mix of focused research, competency building, leadership development and advocacy is the best way to navigate this difficult terrain.

I thank the member unions of the LRS, the board of directors, and the staff themselves for all they have done to develop this unique labour support organisation of 36 years standing.

Nkosomzi Given Roji (NUMSA)
Chair of LRS Board

Where we work

South Africa, Zambia, Botswana, Zimbabwe, Namibia, eSwatini, Lesotho, Mozambique, Sierra Leone, Ghana, the Gambia, Nigeria, Senegal, Chad, Ethiopia, Kenya, Uganda, Rwanda, Tanzania, Tunisia.



Important themes & issues



Collective bargaining and organising



Transforming unequal gender relations in the world of work



Corporate governance and ethical investment



Future of work



Climate and just transition



Informalisation



Technology for trade unions



Gig economy



Trade and investment

LRS direct and indirect reach 2023



DIRECT REACH

1,826



WEBSITE USERS

114,115



PAGE VIEWS

176,636



AVERAGE PAGE VIEW DURATION

3MIN 8 SECONDS



DEMOGRAPHICS

**63.4% FEMALE;
36.6% MALE**



EMAILS SENT

6,108



SOCIAL MEDIA REACH

703,000*

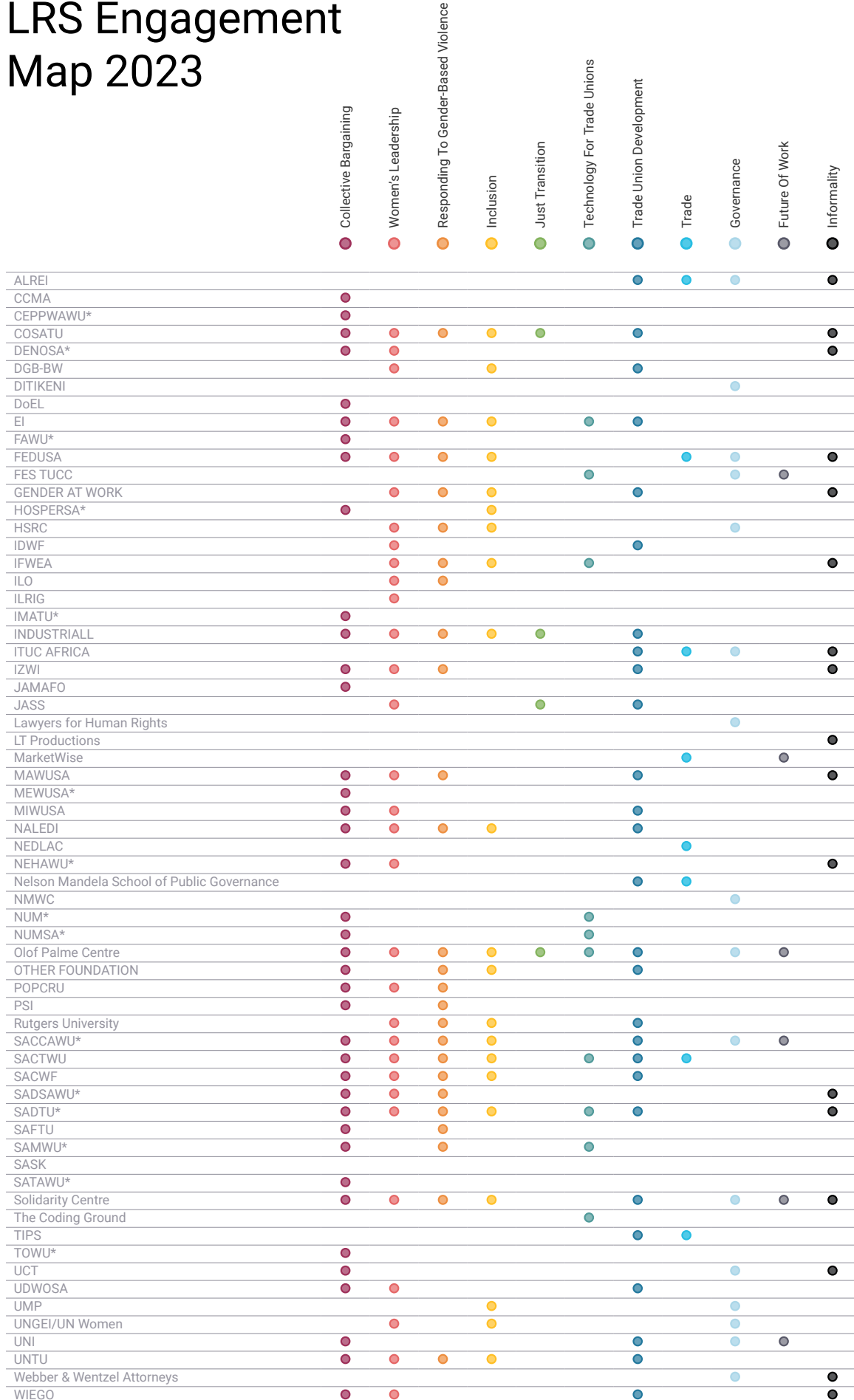
Executive Director's Report

Our work supports trade union collective bargaining and organising. Our work influences wage policy formation in South Africa. Our work enhances women's influence on policies, laws, agreements, public discourse, and societal attitudes, advancing

gender equality in the world of work. Our work helps trade unions develop a voice on trade in Africa. Our work supports trade union corporate governance engagement in South African multinational companies.



LRS Engagement Map 2023



*LRS member unions

Resource and strategy support for collective bargaining and organising

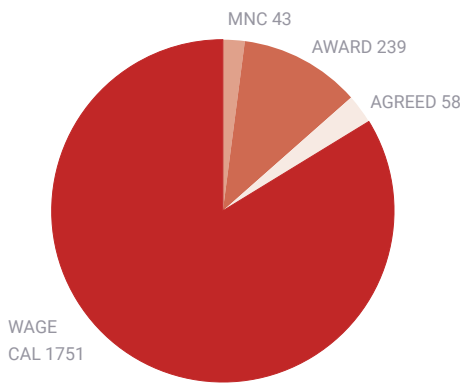
LRS online tools for workers

The LRS Wage Calculator: Helps negotiators convert percentage increases into money amounts and understand the effect of inflation on wage increases, located at <https://bio.lrs.org.za/wage-calculator/>

AWARD (Actual Wage Rates Database): A repository of collective agreements tracking minimum wages to provide unions with empirical evidence for collective bargaining. [www.lrs.dedicated.co.za/award/]

AGREED (Agreements Database) A repository of collective agreements suitable for research and education located at <https://lrs.dedicated.co.za/award/>

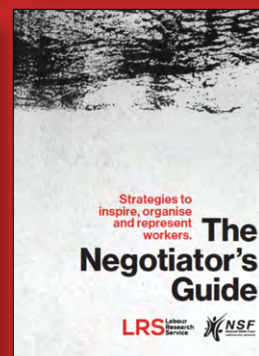
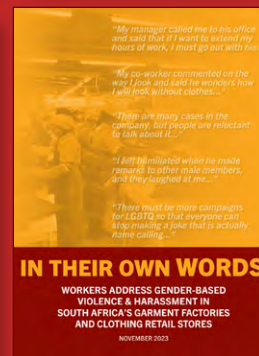
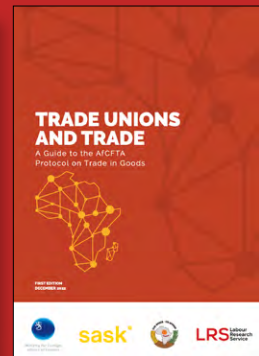
MNC (The South African Multinational Company Database): Financial information for over 80 JSE-listed companies, including executive pay located at <https://lrs.dedicated.co.za/mnc/>



Metric	2023
Resource downloads	5 361
AWARD	239*
AGREED	58*
MNC	43*
Wage calculator	1751*

*Users

Key publications





In 2024, we anticipate challenges due to recent company closures, the impact of load shedding, and the trend by companies to offer increases to employees ahead of central negotiations, among other issues. We must approach negotiations with sensitivity and preparation. Information and understanding are crucial in this preparation. We rely on data to understand industry trends, company and inflation performance, and other relevant factors. We appreciate the LRS support in offering information and insights to assist our negotiators in making informed decisions.”

Spuy Sebotsa, Head of engineering sector at NUMSA



▲ LRS learning intervention for United National Transport Union



▶ LRS learning intervention for Migrants Workers Union of South Africa

LRS works to strengthen gender equality and women's leadership

The organisations we work with engage in self-reflection. They recognise that advocating for collective agreements that address gender demands requires changes in individual attitudes and behaviours, resource allocation and organisational culture.

The Southern African Clothing & Textile Workers' Union (SACTWU) elected female leaders to top positions for the first time, marking a significant step forward for the union's approach to gender representation. The positive changes within SACTWU extend beyond leadership appointments.

The union's culture has transformed, evident in the inclusion of discussions on gender equality, gender-based violence and harassment (GBVH), and parental rights agreements during national leadership education activities to which the LRS contributed.

LRS has a global recognition in transformative leadership through an academic partnership

Over 150 women in countries including South Africa, Nigeria, and Zimbabwe participated in a transformative journey and shared their leadership experiences through the Leadership Journey Map, a visual mapping tool developed by LRS and the Centre for Innovation in Worker Organisation (CIWO) at Rutgers University.

The COVID-19 pandemic exposed women's isolation in their leadership roles, necessitating more spaces for connection and support among women and gender-oppressed individuals.

The Leadership Journey Map tool addresses this gap, providing a nurturing space on Zoom and WhatsApp where participants can intimately reflect upon their trajectories in leadership. Users navigate their experiences, drawing insights and connecting with peers traversing similar paths. More than a tool, it supports women excluded in decision-making due to patriarchal leadership practices in worker organisations.



We partnered with the LRS, growing and learning together, not only professionally but also personally during the pandemic. LRS played a crucial role in connecting us with women leaders, labour activists, and like-minded organisations. This collaboration emphasised our ability to adapt, broaden perspectives, and respond to emerging needs in real-time. The development of the Leadership Journey Map, a tool to amplify diverse voices of women, is a notable outcome. Working with LRS provided unique insights and deepened our appreciation for the feminist pedagogy employed in our joint effort."

Sheri Davis, Executive Director at the Center for Innovation in Worker Organization (CIWO), Rutgers University.

COLLECTIVE LEADERSHIP JOURNEY MAP

APRIL 21st, 2022



▲ Over 300 women and nonbinary leaders, activists, and educators from around the world have used the Leadership Journey Map tool to share their experiences in a pilot.



◀ LRS/ CIWO Leadership Journey Map tool workshop during the IFWEA conference | December 2023, Cape Town.

“

It forced me firstly to think about myself through the framework of leadership and secondly, to think of the many places where I have led without realising.”

Workshop participant.



◀ LRS/CIWO facilitators at the Leadership Journey Map tool workshop during the IFWEA conference | December 2023, Cape Town.



▲ CIWO, LRS, and allies convened a global strategy session alongside the IFWEA conference for labour educators, facilitators, activists, and women leaders in precarious sectors and the building trades sector.

Building a movement against precariousness in the world of work

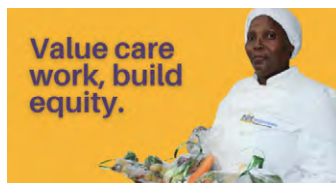
In 2023, our Gauteng Volunteer Food Handlers cohort made significant progress in mobilising and self-organising to make visible their jobs and demand certain rights entitled to them as workers under the National School Nutrition Programme (NSNP). We

supported the food handlers by creating spaces for discussion, producing educational resources, and co-creating media advocacy tools highlighting their issues and demands within the NSNP.

The impact of these efforts is evident in several changes



95% of Volunteer Food Handlers in a UIF campaign accessed their benefits. These women workers also expanded and consolidated, with our core group organising a broader network of over 200 food handlers who are more aware of their rights.



LRS member unions, SADTU and NEHAWU, have put the issue of Volunteer Food Handlers in the national trade union discourse on organising workers in precarious employment.



Academics are interested in exploring the role of Volunteer Food Handlers in the NSNP, and a legal firm wants to challenge the status of food handlers as volunteers.



Feminist groups have shown interest in the methodologies employed by LRS to support the movement building of Volunteer Food Handlers.



Volunteer Food Handlers at their media conference in March 2023 in Johannesburg discussed their campaign for decent jobs for over 60,000 workers recruited by the National School Nutrition Programme to prepare and serve meals in schools nationwide.



Former Volunteer Food Handlers outside the Vanderbijlpark labor office in Gauteng, 2023. With support from LRS, they successfully secured UIF benefits in a campaign.

A world of work without gender-based violence and harassment

The LRS recognises that gender-based violence and harassment (GBVH) is rooted in personal, situational and socio-cultural contexts. Addressing it requires changes in individual behaviour and attitudes, alongside the changes in workplace practices and policies.

We support trade unions in sub-Saharan Africa to develop effective strategies to prevent and respond to GBVH. We work with unions in various sectors, including domestic work, public health, education, garment, retail and transport.

Workers talking with workers about GBVH

In 2023, SACCAWU and SACTWU stood out for their worker-led GBVH participatory action research, which recommends actions unions, employers, and government can take to create GBVH-free workplaces in the garment and retail industries. LRS, together with partners, facilitated participatory action research conducted by 19 worker researchers. 117 workers have shared their experiences with GBVH through our inclusive research approach. They are now empowered to participate in decision-making and advocacy on the issue.



Participants engaged in the GBVH participatory action research process in Cape Town, 2022.



“

“98% of women workers surveyed said they have experienced one or more incidents of gender-based violence or harassment.”

In Their Own Words: Workers Address GBVH in South Africa’s Garment Factories and Clothing Retail Stores report.

Negotiating international trade

African trade unions are engaging on the African Continental Free Trade Area (AfCFTA) and strive to advance decent work and workers' rights in the negotiations and implementation of the Agreement at the national, sub-regional, and regional levels.

LRS and ITUC-Africa collaborate to support participating national centres to advocate for AfCFTA in their respective countries. We provide resources and capacity building to inform trade union policies and strategies for the continental free trade area. ITUC-Africa affiliates have specific demands to ensure that no worker is left behind as the AfCFTA develops. We build alliances with national centres, academic institutions, civil society groups and, through ITUC-Africa, regional trade union bodies to facilitate continental action on a complex topic. We

amplify trade union positions and demands to help build a coordinated voice on the AfCFTA. There is evidence that the trade union movement is raising its profile and influence on this topic and are claiming space in the social dialogue channels that do exist.



Nairobi Kenya/November 2023: Media conference after the ITUC-Africa programme on informal economy actors: the case of women and youth and the AfCFTA.

Building capacity for union decent work advocacy on AfCFTA

Nine researchers attached to ITUC-Africa national centres in eight African countries have deepened their understanding of trade and the AfCFTA. In 2023, they participated in three short courses on trade, facilitated by a trade expert. The researchers have shared knowledge with their members through various capacity-building activities, enlarging trade competency on the continent. The researchers contributed insights at workshops and forums, including discussions on informal economy actors and the AfCFTA and lessons from AGOA for union campaigns on the AfCFTA.



Trade union AfCFTA research team in Johannesburg, July 2023.



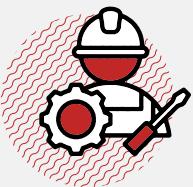
At the Ghana TUC, we have enhanced our capacity in trade and industrialisation, particularly emphasising the importance of advancing developmental regionalism. Ensuring that our TUC-Ghana members are well-informed and actively engaged in trade discussions is a top priority in our advocacy efforts regarding the AfCFTA. We collaborate for capacity building with others, including the LRS and the National AfCFTA Coordination Office, whose officers often serve as a resource in worker education and AfCFTA awareness initiatives. These efforts also help to build our knowledge of the issues of informal economy operators who undertake the bulk of cross-border trade in West Africa."

Prince Asafu-Adjaye, Deputy Director of Research and Policy, Trades Union Congress (Ghana)

"We are now one of the first organisations to be consulted on issues related to the AfCFTA and our views are highly regarded. We have also been invited to provide input into a ministerial order on migrant workers. We have been involved from the drafting stage, all the way through to its publication"

Trade union partner representative.

These are our demands.

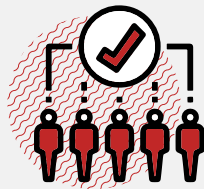


Labour rights are human rights.

The member states of the AfCFTA must honour the ILO convention on freedom of association

Social dialogue.

The member states of the AfCFTA must establish mechanisms for meaningful social dialogue.

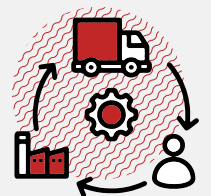


National implementation planning committees.

The member states of the AfCFTA must establish national implementation planning committees that include representatives of the trade union movement, women, youth & informal economy actors.

A simplified trade regime.

for women and youth in informal cross-border trade



The leading economies in each region of Africa Commit to developing the regional value chains

that incorporate the least developed countries in Africa.

Transforming corporate governance



LRS provides company information, financial literacy, and insights to support the bargaining strategies of retail unions in seven countries. UNI-Africa retail affiliates work to improve collective bargaining at three major South African retail multinationals. In 2023, there were notable improvements in conditions of service, including better parental rights in some countries, such as a change in breastfeeding policy negotiated by SINNACOSE in Mozambique, a 30% increase in maternity leave and one month of paternity leave for non-birthing parents reported by Malawi's CIAWU. South Africa got equal parental rights through a court ruling.



Being passive is not an option for a union representing workers at a multinational retail company. We pushed for better parental rights and did not wait for the company to decide to do it. Having thorough research was crucial in negotiating these rights. For instance, we discovered that other comparable companies offered more generous maternity and paternity leave, and we had insights into Game Stores and the broader retail sector through the LRS. This preparation helped to approach the negotiating table with confidence and fearlessness.”

Elina Nzumwa, Vice Chairperson of Women's Desk at Commercial Industrial & Allied Workers Union (CIAWU)

▼ CIAWU members at Game Stores in Malawi celebrate a win for parental rights.



Inclusion as a guiding principle in what we do

[LRS methodology] LRS supports trade union gender equality teams to achieve their inclusion missions. We use the 'Head, Heart, and Hands' approach in engaging with different groups. Even in discussions typically focused on ideas (head) and actions (hands), such as policy development or negotiating collective agreements, we ensure emotional aspects

(heart) also emerge. The approach has deepened our collaborations, especially with marginalised groups like older and younger women, women in precarious employment, and young LGBTQ+ individuals seeking work who express feeling respected and able to bring their whole identities into our educational spaces.

Grassroots activism drives change in UNTU

The dedication of UNTU union members advocating for LGBT+ rights and inclusion is an example of the transformative impact that collective action can have on a workplace issue. A core group within UNTU recognised and addressed their own biases and took action to create a more inclusive union. With the knowledge gained from LRS resources and learning support, these activists used the LGBTI Rights Resolution of FEDUSA and ILO Convention 190 as rallying points for their cause. As a result, there has been a noticeable increase in awareness about LGBTI+ rights and the need to protect them within and beyond the union. The union members have embraced advocacy roles in their families and communities.



A core group of UNTU members now advocate for inclusion, challenging heteronormative behaviours and practices while acknowledging the role of C190 in supporting LGBTI+ workers' and job seekers' rights.



The programme is exceptional and provides fertile soil. It's our responsibility to nurture it. We overlook the importance of educating all workers, not just union representatives. At UNTU, we've lagged. But starting today, we will incorporate what we have learned into our training manuals. My comrades will ensure I stay true to this commitment."

Mandlakhe Zondo, Deputy General Secretary of UNTU



Positive influence out in the world

LRS stakeholders recognise the contribution of the LRS to the labour movement

South African law will recognise equal parental leave rights for women and men (or primary caregivers). In 2023, a landmark case in Johannesburg High Court challenged sections of the Basic Conditions of Employment Act, advocating for equal parental leave rights regardless of gender or the nature of parenthood. It means that a change in the law on parental leave is imminent and likely to affect both maternity and paternity rights.

The case was initiated by a couple, Werner and Ika van Wyk, along with Sonke Gender Justice and the Commission for Gender Equality, against the Minister of Labour. The Labour Research Service and other organisations appeared as friends of the court. LRS was invited to participate because of our commitment to gender equality and our support for trade unions in developing policies and collective demands for fair bargaining. This case is strengthening our efforts to challenge gender stereotypes around care work and the importance of recognising workers not only in their role as workers but also in their role as parents.



The ruling challenges the notion that caregiving is solely a woman's responsibility. When men choose to take parental leave, it shifts the perception of the leave itself and introduces a new perspective that adds value to it. The real challenge is ensuring the ruling translates into concrete action rather than simply remaining as words on a page. It's crucial that our collective agreements also align with this decision."

Nina Benjamin, Leader of Transforming Unequal Gender Relations in the World of Work programme of LRS

LRS impact on wage policy

For decades, LRS has contributed to policy and campaigns on a national minimum wage through research papers, education interventions, and active engagements. Following the establishment of the national minimum wage in 2019, Trenton Elsely, Executive Director of the LRS was appointed Commissioner on the National Minimum Wage Commission, and is serving his second term from 2024.

The national minimum wage matters. It benefits about six million workers in low-paid and low-unionised sectors. We have a minimum wage where there was none before. But it is not a living wage. Through our research project with partners, we have a picture of a decent life in South Africa that can inform policy debates and provide ideas for unions negotiating issues of dignity and value of workers.



I am proud of our efforts to equalise the national minimum wage for domestic and agricultural workers. Equalising is about valuing, making visible, and recognising this work. I am proud that the Commission has made modest positive gains on minimum wages without harsh trade-offs.”

Trenton Elsely, Commissioner of the NMWC





LRS as the 'hands, ears and eyes' of unions at social dialogue mechanisms

The LRS Executive Director participates in the trade subcommittee of NEDLAC, the statutory social dialogue body, offering union insights into the developments and dynamics of the African Continental Free Trade Agreement (AfCFTA) negotiations. South African trade unions have prompted NEDLAC to commission research on a social clause with labour provisions for the AfCFTA. ITUC-Africa affiliates advocating for the decent work agenda under the continental free trade agreement want member states to establish formal social dialogue mechanisms. The LRS supports this advocacy by building trade union competency on trade matters across Africa.



“Two-thirds of negotiations take place at home. If we cannot influence our national government, then we have squandered our main opportunity for influence.”

Technology for trade unions

We are working on developing a mobile application organising resource, called Indlela. We are facilitating ongoing discussions with union representatives to properly map the application onto trade unions as organisations, before the development phase. Trade unions should embrace technology to represent workers' interests and adapt to technological advancements in the world of work and society.

We are exploring new ways of communicating and sharing knowledge. We have developed a podcast on trade for African trade unions and civil society groups called **A Labour of Love**. The first interview with a trade specialist was in 2023. We will collaborate with Impuls Radio, a pan-African streaming service with two million listeners, to broaden our reach and make complex knowledge accessible beyond lengthy research reports.

Zambia retail union leverages WhatsApp to recruit workers at Shoprite

In LRS working networks, we have seen good examples of unions using technology tools for organising. The National Union of Commercial and Industrial Workers (NUCIW) uses WhatsApp for real-time communication with its 41 chairpersons to coordinate membership recruitment at Shoprite in Zambia. Chairpersons actively recruit potential members and ensure they acquire the necessary documentation, such as stop orders. NUCIW collects stop orders from remote Shoprite branches through the drivers of the biggest national grocery distributor. Using WhatsApp helps NUCIW branch officials stay connected, leading to more unity and more members joining.



We improved the recruiting process, got into more Shoprite stores, and got workers to assert their rights collectively. Using WhatsApp for quick information sharing helped us get more members.”

Vasco Mainza, Regional Chairperson of the National Union of Commercial and Industrial Workers



Sustainability through programme development

We pursue sustainability through programme development, and more specifically, we are committed to building intellectual capital around the future of work, climate and just transition, informalisation, and trade and investment.

We are building significant knowledge and partnerships on trade and investment in Africa. We actively engage with corporate governance and ethical investment in South Africa.

We are thinking about the future of work and have had a strong focus on the retail sector. We are

mapping location-based gig work as a distinct form of employment relations. We are working at several points along the continuum of work that ranges from the more formal to the more informal.

We have an eye on developments in the artificial intelligence space, to support the movement both to respond to new technologies and to deploy new technologies for social justice.

We are building knowledge and competency and defining our role in relation to Just Transition and the trade union movement.



Networking and alliance building for influence

We view networking and alliance building as a vital strategy, especially for smaller organisations that seek to work on complex themes and to amplify their reach.

Our networks include individuals and organisations with an affinity for working-class politics that we can collaborate with. Among our partners you will

find trade unions, trade union national centres, regional and continental worker formations and organisations, global unions, universities, and other tertiary institutions, solidarity support organisations, role-players in government and statutory institutions, community-based organisations and private sector consultancies.



The new IFWEA Executive Committee elected at the 24th General Conference in December 2023. Saliem Patel is IFWEA General Secretary, and Trenton Elsely of LRS (left) is an Executive Member.

LABOUR RESEARCH SERVICE NPC
(REGISTRATION NUMBER 1986/002993/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Providing support and assistance to the trade union movement by way of research, furnishing advice, providing training and publishing relevant material
Directors	CL de Lange FE Klaas L Ntuli NG Roji TH Elsley TM Fafuli
Registered office	Community House 7 41 Salt River Road Salt River 7925
Business address	Community House 7 41 Salt River Road Salt River 7925
Postal address	PO Box 376 Woodstock 7915
Bankers	Standard Bank of South Africa Limited
Auditors	C2M Chartered Accountants Incorporated Chartered Accountants (SA) Registered Auditors
Company registration number	1986/002993/08
Tax reference number	945/0255/03/0
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of 2008 of South Africa.
Preparer	The annual financial statements were independently compiled by: MD Dreyer Professional Accountant (SA)

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

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LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of 2008 of South Africa, to maintain adequate accounting records and are 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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal 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 directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 6 to 7.

The annual financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the directors on _____ and were signed on its behalf by:

NG Roji

TH Elsley

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Labour Research Service NPC for the year ended 31 December 2023.

1. Incorporation

The company was incorporated on 25 July 1986 and obtained its certificate to commence business on the same day.

2. Nature of business

Labour Research Service NPC was incorporated in South Africa to promote and enhance the full active participation of working women and men in the political and socio-economic activities in South Africa. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of 2008 of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directorate

The directors in office at the date of this report are as follows:

Directorate

CL de Lange

FE Klaas

L Ntuli

NG Roji

TH Elsley

TM Fafuli

5. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. 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.

9. Auditors

At the AGM, the shareholders will be requested to reappoint C2M Chartered Accountants Incorporated as the independent external auditors of the company and to confirm Mr A Nel as the designated lead audit partner for the 2023 financial year.

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' REPORT

10. Secretary

The company had no secretary during the year.

11. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of 2008 of South Africa.

12. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on the date that the director's responsibilities and approval report was signed. No authority was given to anyone to amend the annual financial statements after the date of issue.

INDEPENDENT AUDITOR'S REPORT

To the Directors of Labour Research Service NPC

Opinion

We have audited the annual financial statements of Labour Research Service NPC (the company) set out on pages 8 to 21, which comprise the statement of financial position as at 31 December 2023, 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 the 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 Labour Research Service NPC as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of 2008 of South Africa.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Labour Research Service NPC annual financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act of 2008 of South Africa and the supplementary information as set out on page 21. The other information does not include the annual 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.



INDEPENDENT AUDITOR'S REPORT

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of 2008 of South Africa, and for such internal control as the directors 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 directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

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 expected to influence the economic decisions of users taken on the basis of these annual financial statements.

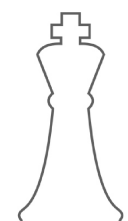
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 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 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 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 company 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 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.

A Nel
Chartered Accountant (SA)
Registered Auditor
Director

Tygerforum B
53 Willie van Schoor Drive
Tygervalley
Bellville
7530



LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	99,926	66,113
Current Assets			
Cash and cash equivalents	3	1,110,549	565,815
Trade and other receivables	4	184,971	49,863
		1,295,520	615,678
Total Assets		1,395,446	681,791
Equity and Liabilities			
Equity			
Reserves		99,926	66,113
Retained income		368,579	347,843
		468,505	413,956
Liabilities			
Current Liabilities			
Deferred /(accrued) income	5	279,784	185,102
Trade and other payables	6	647,157	82,733
		926,941	267,835
Total Equity and Liabilities		1,395,446	681,791

LABOUR RESEARCH SERVICE NPC
(REGISTRATION NUMBER 2009/024657/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2023	2022
Income			
Revenue	7	9,065,959	6,539,501
Other operating income	8	287,401	263,637
		9,353,360	6,803,139
Expenditure			
Depreciation		(37,836)	(25,934)
Operating expenses		(2,284,988)	(1,872,850)
Project expenses		(7,012,913)	(4,875,974)
		(9,335,737)	(6,774,757)
Operating surplus		17,623	28,381
Interest income	9	36,925	7,982
Surplus for the year		54,549	36,363
Other comprehensive income		-	-
Total comprehensive income for the year	10	54,549	36,363

(REGISTRATION NUMBER 2009/024657/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Non-current asset reserve	Retained income	Total equity
Balance on 1 January 2022	44,050	333,544	377,594
Total comprehensive income for the year	-	36,363	36,363
Transfer between reserves	22,063	(22,063)	-
Balance on 1 January 2023	66,113	347,844	413,957
Total comprehensive income for the year	-	54,549	54,549
Transfer between reserves	33,813	(33,813)	-
Balance on 31 December 2023	99,926	368,579	468,505

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CASH FLOWS

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash receipts from customers		9,312,934	6,636,679
Cash paid to suppliers and employees		(8,733,476)	(7,132,724)
Cash (used in)/generated from operations	13	579,458	(496,044)
Interest income		36,925	7,982
Net cash from operating activities		616,383	(488,062)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(71,649)	(47,997)
Total cash movement for the year		544,734	(536,059)
Cash at the beginning of the year		565,815	1,101,874
Total cash at end of the year	3	1,110,549	565,815

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ACCOUNTING POLICIES

Corporate information

Labour Research Service NPC is a public company incorporated and domiciled in South Africa.

The annual financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SME") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of 2008 of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note .

ACCOUNTING POLICIES

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

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

Property, plant 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 of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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 company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Computer equipment	Straight line	5 Years
Computer software	Straight line	2 Years
Office Equipment	Straight line	5 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, plant 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, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant 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, plant 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, plant 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.

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ACCOUNTING POLICIES

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Cash and cash equivalents

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

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ACCOUNTING POLICIES

1.5 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ACCOUNTING POLICIES

1.8 Provisions and contingencies

Provisions are recognised when:

- the company 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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.9 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

1.10 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transactions at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ACCOUNTING POLICIES

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022
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2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Computer equipment	353,179	(253,253)	99,926	281,530	(215,417)	66,113

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	66,113	71,649	(37,836)	99,926

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Computer equipment	44,050	47,997	(25,934)	66,113

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,101,986	529,533
Cash on hand	8,563	36,282
	1,110,549	565,815

4. Trade and other receivables

Deposits	1,350	1,350
Trade receivables	157,585	48,513
VAT	26,036	-
	184,971	49,863

5. Deferred /(accrued) income

Gender at Work - Power Up	-	29,933
Letsema	6,841	3,092
LRT Trade Union App	200,000	-
Public Services International	83,478	-
SASK ACTFA	(10,535)	152,077
	279,784	185,102

The above deferred income represents amounts either specifically allocated to use during the following period in terms of the funder's contract requirements or commitments which have been deferred to the following year.

Frequently the periods of donor contracts do not coincide with the financial year end of the organisation. The effect of this is that the balance of donor funding can be carried forward into the following year (deferred income) or donor funding relating to the previous period could be received in the following year (accrued income).

LABOUR RESEARCH SERVICE NPC

(REGISTRATION NUMBER: 1986/002993/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022
6. Trade and other payables		
Accruals	501,894	33,917
Trade payables	145,263	29,063
VAT	-	19,753
	647,157	82,733
7. Revenue		
Grant income		
Gender at work - Power up	780,799	825,836
German Trade Union Confederation (DGB)	97,733	-
Letsema	10,175	17,062
Olof Palme International Center (OPC)	1,481,691	1,350,974
Solidarity Centre	318,034	339,580
The Labour Research Trust (LRT)	950,000	1,000,000
The Other Foundation	-	75,458
Trade Union Solidarity Centre of Finland (SASK)	2,929,702	1,000,533
	6,568,134	4,609,443
Self generated income	2,497,825	1,930,058
	9,065,959	6,539,501
8. Other income		
Gain on foreign exchange	2,500	-
Membership fees	24,351	24,351
Recoveries	260,550	239,286
	287,401	263,637
9. Investment income		
Interest received	36,925	7,982
10. Surplus/(Deficit) for the year		
Grant income	6,568,134	4,609,443
Expended on: Operating expenditure	(1,487,397)	(1,189,563)
Project expenditure	(5,080,737)	(3,419,880)
Surplus/(deficit) attributable to grant income	-	-
Self generated income	2,785,226	2,193,695
Interest income	36,925	7,982
	2,822,151	2,201,677
Expended on: Operating expenditure	(835,426)	(709,220)
Project expenditure	(1,932,176)	(1,456,094)
Surplus attributable to self generated income	54,549	36,363

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022
11. Taxation		
Major components of the tax expense		
Reconciliation of the tax expense		
Accounting profit	54,549	36,362
Tax at the applicable tax rate of 27% (2022: 28%)	14,728	10,182
Tax effect of adjustments on taxable income		
Exempt income		
Exempt income and expenses - Section 10(1)(nC)	(14,728)	(10,182)
Taxable income	<u>-</u>	<u>-</u>
12. Employee cost		
Employee costs		
Cost to company	<u>5,090,939</u>	<u>4,271,447</u>
13. Cash (used in)/generated from operations		
Surplus/(deficit) before taxation	54,549	36,363
Adjustments for:		
Depreciation and amortisation	37,836	25,934
Profit on foreign exchange differences	(2,500)	-
Investment income	(36,925)	(7,982)
Changes in working capital:		
Trade and other receivables	(132,608)	(33,245)
Trade and other payables	564,424	(383,900)
Deferred income	94,682	(133,215)
	<u>579,458</u>	<u>(496,045)</u>
14. Directors' emoluments		
Executive		
TH Elsley	<u>1,034,477</u>	<u>974,213</u>

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2023

2022

15. Reclassifying of prior period amounts

The total amount disclosed as 'Self-generated income' of note 7 of the prior year AFS included an amount reflected under 'Other income' in both the 'Statement of profit or loss and comprehensive income' and the 'Detailed income statement'. It is the opinion of the auditors that note 7 should have disclosed the 'Other income' separately from the 'Self-generated income' as is reflected in notes 7 & 8 of these financial statements.

The reclassification results in adjustments as follows:

Profit or Loss

Revenue	-	(263,637)
Other Income	-	263,637

16. 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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

DETAILED INCOME STATEMENT

Figures in Rand	Notes	2023	2022
Revenue			
Grant income	7	6,568,134	4,609,443
Self-generated income	7	2,497,825	1,930,058
Other operating income			
	8	287,401	263,637
Gain on foreign exchange		2,500	-
Membership fees		24,351	24,351
Overhead recoveries		260,550	239,286
		9,353,360	6,803,139
Operating expenditure			
		(2,284,988)	(1,872,850)
Audit fees		(73,280)	(69,363)
Bad debts		(1,140)	-
Banking costs		(32,352)	(32,229)
Communication		(52,362)	(42,632)
Contracted services		(331,243)	(350,088)
Internet and IT services		(291,076)	(182,291)
Insurance		(17,532)	(38,155)
Membership fees		(17,234)	(10,935)
Office supplies and stationery		(102,808)	(53,539)
Planning and evaluation		(36,024)	(13,447)
Postage and courier		(1,815)	(2,180)
Premises costs		(440,537)	(415,053)
Salary expenses		(887,586)	(662,938)
Programme expenditure			
		(7,012,913)	(4,875,974)
Advocacy and lobbying workshop and related expenses		(2,248,833)	(460,528)
Contracted services		(560,726)	(806,937)
Salary expenses		(4,203,354)	(3,608,509)
Other operating expenditure			
		(37,836)	(25,934)
Depreciation		(37,836)	(25,934)
		(9,335,737)	(6,774,757)
Operating surplus/(deficit)			
		17,623	28,381
Investment income	9	36,925	7,982
Surplus for the year			
	10	54,549	36,363

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