



We regulate for your success

Annual Report
2017-2018 |



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1. Chairman's Report



Arumugam S Sasitharan, MRICS, MIBQS, PMAQS, AAIQS, MNZIQS, ICECA

As required by Section 46(1) of the Quantity Surveyors' Registration Act, Cap. 61:10, 2013, I am humbled and honored to present the Quantity Surveyors' Registration Council's Annual Report with Audited Financial Statements for the financial year from 1st April 2017 to 31st March 2018.

During the 2017-2018 financial year, the Quantity Surveyors' Registration Council (QSRC) continued to make significant strides towards the accomplishment of its statutory mandate. The Council has witnessed considerable developments from

both administrative and policy perspectives during the period under review. The QSRC's secretariat, which became fully operational in the year 2016-2017, has increased as the organisation grows and positions itself to undertake the crucial tasks of Registration and Regulation of Quantity Surveying professionals in Botswana and developing the Quantity Surveying profession in Botswana for global competitiveness.

The Council and secretariat are confident that the commencement of Registration and Regulation will occur smoothly upon the Government's publishing of the Quantity Surveyors' Registration Regulations, which will make the Act operational. The Council has, throughout the year, been working with the Ministry of Infrastructure and Housing Development (MIH) as well as the Attorney General's Chambers, towards the publishing of the Regulations which we anticipate to occur during the third quarter of the 2018 calendar year. The Council has also developed a Registration Policy that is aligned with the Registration Regulations for Quantity Surveyors. This Policy guides the overall Registration process and stipulates the requirements for Registration.

As a means of ensuring that developments within the QSRC are aligned to those of associated regulatory bodies within the Built Environment. The QSRC constantly liaises with the Architects' Registration Council (ARC) and the Engineers Registration Board (ERB). This continuous communication and collaboration is crucial for consistent

and cohesive regulation of Botswana's construction professionals and for the realisation of the Government's overall vision of a competitive and world-class construction industry.

From an administrative perspective, the secretariat of the Council is well prepared to carry out the QSRC's statutory responsibilities, having formulated an organizational strategy and finalized internal policies to guide their activities. During the period under review, the QSRC undertook informative benchmarking exercises in order to appreciate how regional regulatory bodies with congruent mandates are operating.

The first benchmarking exercise was conducted in Windhoek, Namibia with the Namibian Council for Architects and Quantity Surveyors (NCAQS), whilst the second session was held in Johannesburg, South Africa with the South African Council for the Quantity Surveying Profession (SACQSP). Both benchmarking sessions introduced the QSRC to crucial lessons on Namibian and South African regulatory challenges and successes. The Council also learnt about best practice methods to emulate. The sessions have also opened doors for collaborative interaction and synergies which are undoubtedly crucial for regional construction sector regulation.

The Council's 3-year Strategic Plan was finalised during the QSRC Strategy Retreat held in Madikwe, South Africa in May 2017. The document provides analysis and projections for the first 3 years after the appointment of the Founding Registrar,

and activities that support the Council's plan for long term growth and sustainability within its budgetary limitations. Based on the QSRC's values of professionalism and integrity, the Strategic Plan also touches on Registration and the processes that will be in place to monitor the professional conduct of registered Quantity Surveyors in their interactions with the public.

It is the Council's wish to have all Quantity Surveyors in Botswana registered and regulated, and to have them mentor aspiring Quantity Surveyors in Botswana as communicated during the QSRC's stakeholder engagement sessions. The involvement of Quantity Surveyors in Engineering Projects is also an important desire of the overall Quantity Surveying fraternity which the Council will continue to advocate for.

Going forward, the Council will maintain its strategic focus points of Registration, undertaking its advisory/liason role to Government as required and establishing sustainability to shift from full reliance on Government subvention. Upon publishing of the Registration Regulations, the QSRC will be better positioned to carry out its role of monitoring, developing and regulating the Quantity Surveying profession. Based on the 2015 Guideline Tariff of Professional Fees Schedule published by the South African Council for the Quantity Surveying Profession the QSRC has developed Consulting Quantity Surveyors' fee tariffs to suitable for Botswana. These fee scales have generally been accepted and used during on-going projects.

Commencement of New Chairman's Tenure

My appointment to the Chairmanship of the Council occurred during the period under review. It has been a remarkable journey thus far. Our efforts as a Council to build upon the strong foundation laid by our former Chairman, Mr Gontse Kgosiemang, have been productive. I wish to thank all the Council members and the secretariat for welcoming me and facilitating our joint efforts towards the realisation of the Council's vision, where every registered Quantity Surveyor will be a proud representative of the profession.

Changes in Council Membership

The Council welcomed two new members at the commencement of the financial year, namely Mrs Segolame Ngwato from the private sector and Mr Ookeditse Leburu, the Council's Ex-Officio member from the Department of Building and Engineering Services. Towards the end of the financial year, we also welcomed Mr Motlhopi Gaorengwe, a member of the Institute of Botswana Quantity Surveyors (IBQS), to the Council following the resignation of Mr Gontse Kgosiemang. Their contributions have proved unquestionably significant, having successfully carried the batons handed to them by their predecessors, on the QSRC's quest towards commencement of Registration.

I also wish to thank the external committee members stated below, who have continued to volunteer their services and expertise on Committees of the Council since the previous financial year:

Ms Tobile Lemo – Finance and Procurement Committee

Mr Cliff Dithapo - Finance and Procurement Committee

Mr Peter Gabaratane – Registration and Standards Committee

Mrs Latelang Chakalisa - Registration and Standards Committee

The external members have assisted immensely throughout the year and we look forward to their continued assistance as we press toward our objective.

Conclusion

The Council wishes to appreciate the efforts of the Honourable Minister of Infrastructure and Housing Development, the Permanent Secretary and his Executive Team for the assistance and support they have granted throughout the financial year. I am highly confident that with continued cooperation and assistance from the Ministry, associated regulatory bodies, international partners and the public at large, the QSRC will realise its vision of developing the Quantity Surveying profession in Botswana to global standards.

QSRC, We regulate for your success!



**ARUMUGAM S SASITHARAN MRICS,
MIBQS, PMAQS, AAIQS, MNZIQS, ICECA,
CHAIRMAN**

2. Corporate Profile

About Us

The Quantity Surveyors' Registration Council (QSRC) is a professional regulation body established in terms of the Quantity Surveyors' Registration Act, 2013, to monitor and regulate the activities and conduct of Quantity Surveyors in Botswana. The QSRC came into effect in 2013 following the passing of the Quantity Surveyors' Registration Act on the 4th of October 2013. The Act established the Quantity Surveyors' Registration Council; to provide for the regulation of the practice of Quantity Surveying and for matters incidental thereto.

The Council is made up of 7 members as follows:

- i. One person eligible for registration under the Act, appointed by the Minister
- ii. One person from outside the Quantity Surveying profession, appointed by the Minister
- iii. The Director of the Department of Building and Engineering Services, or his/her appointed representative, who shall be an ex-officio member; and
- iv. Four persons eligible for registration under the Act, elected by the Institute (duly registered and recognized as representing Quantity Surveyors in Botswana) upon notification from the Minister to elect members, of whom at least three (3) shall be from the private sector.

The appointments were Gazetted on 1st June 2014 but effective 1st April 2014 and valid for specified periods. The Council members were inaugurated by the then Minister of Infrastructure, Science and Technology (MIST), Honourable Johnie Swartz accompanied by his Permanent Secretary, Deputy Permanent Secretary and other MIST officials on the 10th of July 2014. The QSRC operations are currently funded by government subventions, however systems will be put in place for the Council to be self-sustained as time progresses.

The Council is also expected to promote performance, excellence and professionalism in the Quantity Surveying profession by ensuring that all Quantity Surveyors (QS) adhere to laid down rules and regulations, code of conduct, as well as registration and implementation of control measures.

The objectives of QSRC are to:

- Protect the interests of members of the public in any dealings with QSs
- Maintain the integrity of the profession of Quantity Surveying
- Ensure compliance with set ethics and standards within the QS profession
- Encourage research and development of the QS profession.
- To register and regulate QSs in Botswana

This can further be extended to include the following:

- To be a Body of knowledge - standardisation;
- Regulate the profession to guard against unethical behaviour;
- To liaise with other professionals within the built environment – to address challenges in the construction sector ;
- To educate clients on the role of the QS as the role has evolved over time e.g. cost control/cost analysis, scheduling and cashflow monitoring, etc;
- To promote good quality service to the general public;
- To regulate the use of foreign based QS firms in Botswana;
- To be the liaising body between Government and the QSs since Government is the main developer in Botswana.

MANDATE

The QSRC's mandate is to register, regulate, monitor, develop and promote the Quantity Surveying profession in Botswana

VISION

To develop the Quantity Surveying profession in Botswana to international standards.

MISSION

To regulate Botswana's Quantity Surveying profession by prioritising competence, integrity and professional ethics; in accordance with applicable laws, policies, standards and international best practice.

QSRC Values

Professionalism

We are dedicated to quality, timeliness and excellence in our service and live up to the commitments we set.

We perform our tasks and deliver our outputs to the best of our ability with a focus on continuously improving quality, productivity and professional development in line with international professional standards.

Integrity

We are honest and adhere to ethical principles.

Transparency and accountability

We are clear and open while exercising our mandate.

Equality and Fairness

We perform our functions and duties in ways that are just, unbiased and non-discriminatory.

Stakeholder sensitivity/ Customer Focus

We identify key stakeholders locally and globally and address their interests.

Teamwork

We embrace togetherness, promote and support a diverse, yet unified, team.

We believe in partnerships and collaboration while maintaining individual accountability.

We combine resources, competences, skills and work as a team in pursuit of our Vision.

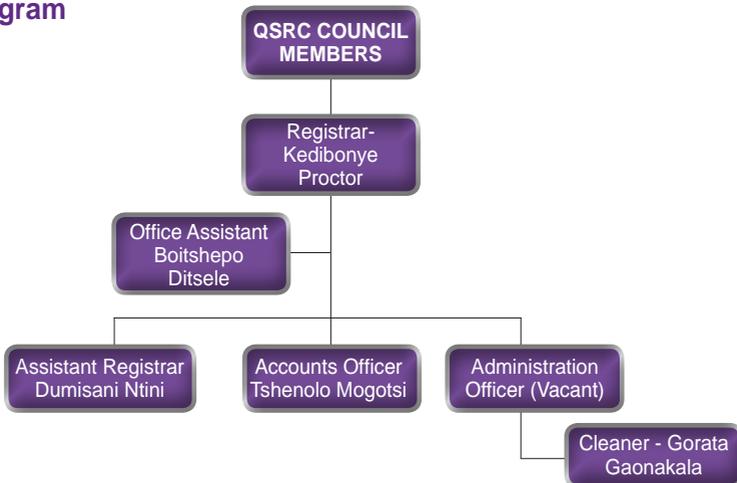
3. Corporate Governance

Council Members



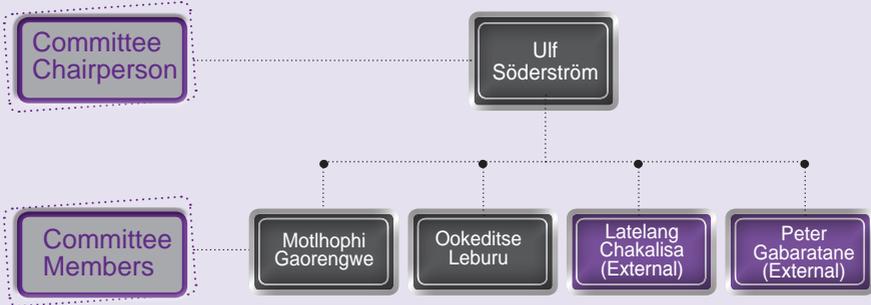
- Mothphi Gaorengwe**
BSc (Hons) QS, MBA, MIBQS
- Segolame Ngwato**
BSc (Hons) QS, MIBQS
- Robert Akanyang**
BSc (Hons) QS, MIBQS,
MRICS
- Arumugam S. Sasitharan
(Chairman)**
HND (QS), MRICS,
MIBQS, PMAQS, AAIQS,
MNZIQS, ICECA
- Ulf Söderström**
BSc Eng., HND
(Education), MPM
- Ookeditse Leburu**
BSc (Hons) QS, MIBQS
- Okaketse Puma Mathware
(Vice Chairman)**
BSc (Hons) QS, MIBQS.

Organogram

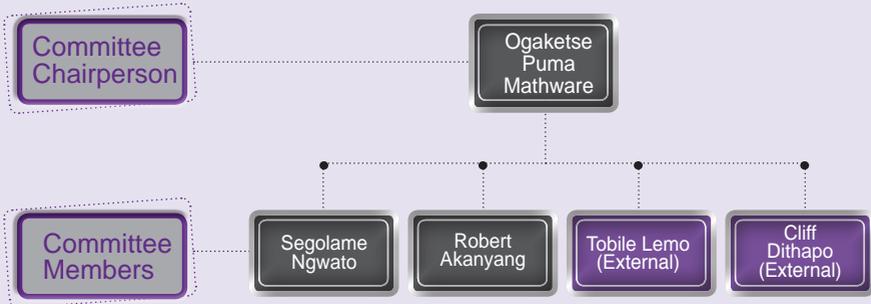


Committees of the Council

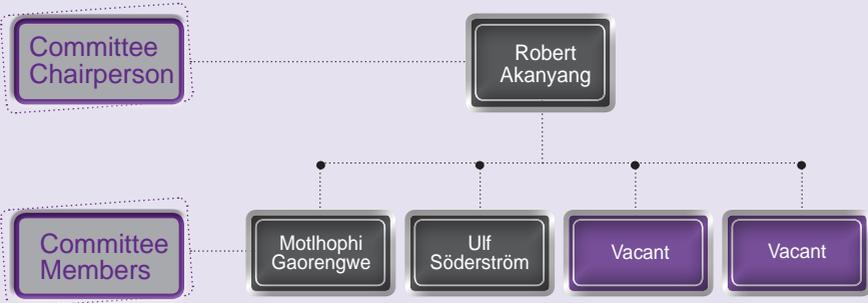
Registration and Standards Committee



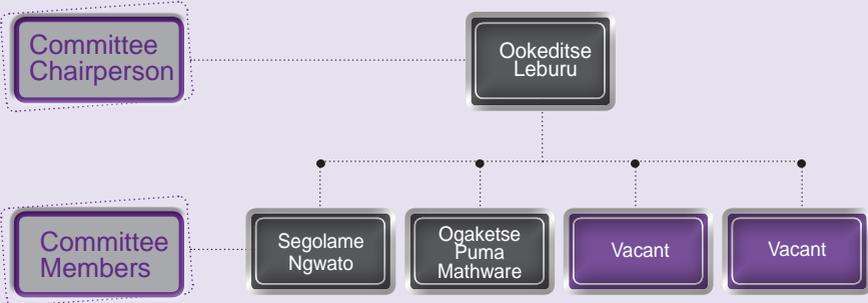
Finance and Procurement Committee



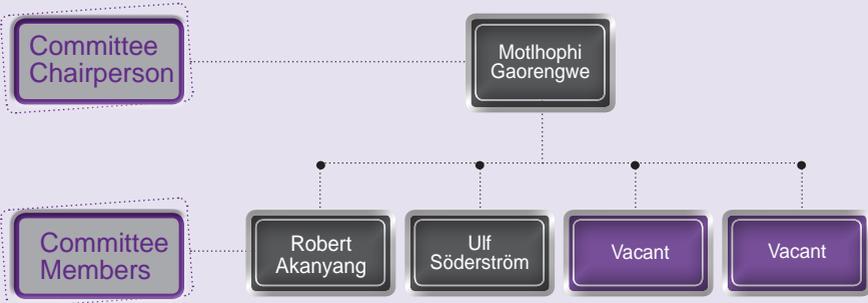
Research and Development Committee



Disciplinary Committee



Investigation Committee



Council Member Tenures from Inception

Inaugural Council

	Name	Designation	Date of appointment	Expiry	Extension
1	Gontse Kgosiemang	Chairperson	01 April 2014	31 March 2016	Replaced by Motlhophi Gaorengwe
2	Koziba Palalani	Vice Chairperson	01 April 2014	31 March 2017	Replaced by Segolame Ngwato
3	Robert Akanyang	Interim Secretary	01 April 2014	31 March 2016	31 March 2019
4	Martin Mogomela	Member	01 April 2014	31 March 2015	Replaced by Ogaketse Puma Mathware
5	Ulf Söderström	Member	01 April 2014	31 March 2017	31 March 2020
6	Ishmael Monkutlwatsi	Member	01 April 2014	31 March 2017	Replaced by Ookeditse Leburu
7	Chike Oranye	Member	01 April 2014	30 Sep 2014	Replaced by Arumugam Subramaniam Sasitharan

Current Council Members

	Name	Designation	Date of appointment	Tenure	Expiry	Appointed by
1	Arumugam Subramaniam Sasitharan	Chairperson	01 Jan 2017	3 years	31 December 2019	IBQS
2	Ogaketse Puma Mathware	Vice Chairperson	01 April 2018	3 years	31 March 2021	IBQS
3	Motlhophi Gaorengwe	Member	01 Jan 2018	3 years	31 March 2019	IBQS
4	Robert Akanyang	Member	01 April 2016	3 years	31 March 2019	IBQS
5	Segolame Ngwato	Member	01 April 2017	3 years	31 March 2020	Minister
6	Ulf Söderström	Member	01 April 2017	3 years	31 March 2020	Minister
7	Ookeditse Leburu	Ex-Officio Member	01 April 2017	3 years	31 March 2020	Minister

4. Registrar's Report



Kedibonye Proctor – BSc (Hons) QS

I am pleased to present the 2017-2018 Annual Report detailing the Quantity Surveyors' Registration Council's activities to date. This report covers the period from April 2017 to March 2018.

The 2017-2018 financial year was the second year of the QSRC Strategic Plan 2016 – 2018 which main objective was to establish the QSRC and ensure that

the established processes, policies and procedures that facilitate for the regulation of the Quantity Surveying professionals in Botswana are implemented. This year's annual report intends to summarize key achievements of this strategic planning period with particular emphasis on the activities of the financial year 2017/18.

The major activities for the secretariat for the financial year were focussed on four of the five Strategic Goals being Establishment of the Council, Registration & Regulation, Stakeholder Relations and continuing to be a liaison between Government and the Quantity Surveying fraternity. The QSRC continued to put in place all the required processes to enable the regulation of the Quantity Surveying professionals in Botswana. The Registration Regulations were developed and finalised, and we anticipate the registration process to commence in the next financial year.

We also welcomed Tshenolo Mogotsi who joined us as the Accounts Officer in August 2017. He will be responsible for the financial aspects of the Council including preparation of management accounts, bank reconciliations, drawing up of the budgets, etc.

The Council secretariat also welcomed Boitshepo Ditsele into the position of Office Assistant after the departure of Tshepo Kaise. She is responsible for providing administrative and office support services for the Council including front desk services. We also welcomed Gorataone Gaonakala, who joined us as a Cleaner. The cleaning services

was previously outsourced, and now has been replaced by a full time personnel. Subsequently, the staff complement increased to five including the Registrar and Assistant Registrar.

The QSRC embarked on a number of benchmarking exercises as detailed below. These benchmarking exercises will assist us in understanding how other organisations do certain aspects, so that we could learn from them.

Below are some of the activities that the Council embarked on during the 2017/18 financial year :

Benchmarking

Namibia Council for Architects and Quantity Surveyors (NCAQS)

The QSRC went on a benchmarking exercise to Windhoek, Namibia to meet with the Namibia Council of Architects and Quantity Surveyors (NCAQS). The reason for choosing NCAQS was because Namibia is more or less similar to Botswana in terms of demographics.

The aims of the QSRC – NCAQS benchmarking exercise include;

- Discovery of NCAQS best practice methods for QSRC to emulate
- Alignment of organizational objectives
- Identification of gaps in processes

- Identification of improvement opportunities
- Acquiring knowledge of NCAQS organizational performance metrics
- Creation of synergies for future assistance and collaboration

The benchmarking exercise was done on the four areas as listed below:

<p>Operational Framework</p> <ul style="list-style-type: none"> • NCAQS Act • Council 	<p>Registration Mandate</p> <ul style="list-style-type: none"> • NCAQS Registration Processes • Guiding documentation • Monitoring & Compliance
<p>Regulatory Mandate</p> <ul style="list-style-type: none"> • NCAQS Standards • Professional Fee Tariffs (and Guidelines) • Consultancy agreements and contracts 	<p>Strategic Outlook</p> <ul style="list-style-type: none"> • NCAQS Strategic Plan • Value Proposition • Collaborations

Botswana Qualifications Authority (BQA)

In preparation for the commencement of the registration of Quantity Surveyors, the QSRC visited the Botswana Qualifications Authority (BQA) to view their internal processes and printing facilities. The benchmarking exercise was done in order to better understand how BQA undertakes its secure certificate printing process. The QSRC wanted to understand how to make its Certificates secure to curb on the printing of fake certificates and the use of fraudulent certificates.

Training

• Finance for Non- Finance Managers

Training was arranged for all Council Members to assist them to appreciate and interpret the Quantity Surveyors' Registration Council financial statements and have an understanding of accounting information which is critical for decision making. Therefore, it was imperative that the Council members be equipped with a basic understanding of interpretation of accounting information.

The knowledge and skills acquired during the training will go a long way in contributing towards financial stability and growth of the QSRC.

The training was a success as all the key areas that are applicable to QSRC were covered and well addressed. More training will be arranged in future where there are some skills gaps and courses will be identified to address the gaps.

• Corporate Governance Training – King IV

The QSRC together with the Engineers' Registration Board, Architects' Registration Council and Buildings Regulations Board hosted Professor Mervyn King for a King IV Corporate Governance seminar at the Gaborone International Conference Centre. The attendance of the seminar spanned individuals from the various professions; Hosting the seminar in Gaborone in conjunction with the related bodies proved to be a more cost-efficient exercise. The benefits of the seminar have cut across all the participating organisations and the success of the event makes it a considerable option for sharing future corporate governance seminars that the Council may wish to hold.

The seminar assisted attendants to appreciate Corporate Governance in general. The King IV 16 principles were covered; Learnings from this training are being implemented within the Council.

Collaborations

• Collaborations with ERB and ARC

We continue to work closely with other regulatory bodies within the Built environment, like the Architects' Registration Council and the Engineers' Registration Board, to address issues relevant to all of us. These include issues of commonality such as cost reduction initiatives, sustainability, etc.

Human Resource Development Council

- The QSRC attended a stakeholder engagement session with other professional bodies (QSRC, ARC, ERB, BICA, etc) organised by the Human Resource Development Council (HRDC), where they shared their mandate and what their expectations are from the Professional bodies.

HRDC requirements of Professional bodies:

- Registration of students
- Mentoring and Coaching of students
- Contribute to the National Development Strategy

HRDC have a research grant which is mainly for research on capacity building and would like the professional bodies to encourage their members to apply for the grant. This will be one of the added advantages for registered Quantity Surveyors. The QSRC will be looking into this as it does not have a category for registration of students.

Stakeholder Engagement

As part of its stakeholder engagement strategy, the QSRC took part on BTV's Molemo wa Kgang show and on RB1's Makgabaneng Radio Show. The television and radio show were

specifically tackling the issue of compliance to Building Standards.

The QSRC continues to engage its stakeholders through the different fora. This is an ongoing process. Social media such as Facebook, twitter and LinkedIn are also used to interact with the public. Regular updates are posted on the QSRC website to keep our stakeholders updated on the QSRC activities.

Registration

The QSRC has been putting processes in place gearing up for the commencement of registration and regulation of Quantity Surveyors in Botswana. In order to achieve this, the following have been developed, which feeds into the registration process:

• Registration Regulations

The Registration Regulations were submitted to General Chambers (AGC) through the Ministry of Infrastructure and Housing Development. These Regulations gives details of the registration process which are not outlined in the Act. The Registration Regulations are to be gazetted prior to commencement of registration; and we are hopeful that this will be done in the next financial year.

• Registration Policy

The Registration Policy provides details of the registration process, which may not have been provided in the Registration Regulations; therefore, it also sets out what the Council should prescribe as per the Act. It also gives a list of competencies to be looked at as part of the Assessment of Professional Competence. It therefore gives a guide to the registration process. This document will be finalised after the approval of the Registration Regulations as the two documents have to be aligned.

Pursuant to Section 49 of the Act, a Quantity Surveyor shall not practice as a Quantity Surveyor in Botswana unless s/he is registered under the Act; nor can any person call themselves or use the title of "Quantity Surveyor" or execute quantity surveying work without being registered. This will be applicable as soon as the Registration Regulations have been gazetted.

• Registration Certificates and Stamps

The sample registration certificates together the seal have been developed and approved by the Council. The security aspects of the certificate and the type of seal are important to protect the QSRC brand and ensure that the certificates

have security features that will make it difficult to produce fake ones.

• Registration Management System

A registration database has been developed, with an Online registration system. The online registration is to be activated when registration has commenced to avoid people using it prior to registration, this is through the QSRC website. The registration database has been moved to the new server in preparation for registration. This will then be linked to the online registration through the QSRC website.

Strategic Plan (2016-2019)

The QSRC Strategic Plan Framework 2016 – 2019 was developed by the Council over a 3-days facilitated strategic thinking retreat. The 3-year strategy of QSRC takes into account the Council's mandate and vision.

Strategic context

The alignment of this Strategic Plan Framework to other Regulatory bodies is essential. The QSRC sees itself as one of the vehicles through which Botswana will realise the transformation of the Built Environment and the development objectives of the Construction Industry in Botswana.

QSRC will uphold its responsibilities by executing its core mandate of registration and regulation of Quantity

Surveyors in Botswana in a manner that will facilitate the development of the Quantity Surveying profession, activities and partnerships that fall within the Council's sphere of influence in terms of policies, regulations, and operations.

The 3 year Strategy Plan focused on 5 Goals being:

- Goal 1: Establish Council Office
- Goal 2: Registration and Regulation
- Goal 3: Stakeholder Relations
- Goal 4: Sustainability
- Goal 5: Advisory role to Stakeholders

These 5 elements are the major drivers and will determine the success of the QSRC. They are detailed in the Strategic Plan and will guide to QSRC going forward to deliver its mandate. The first year of the strategic plan was focused on establishing the QSRC and making sure that the office is up and running, and fully complemented with the right level of staff. It also focused on developing the relevant Policies and Procedures to guide the Council; as already stated above. We are now in the second year of the Strategy Plan and updates will be given annually on the progress made and how we fair against the set objectives. The detailed overall performance against these Strategic Focus Areas will be given at the end of the Strategic Plan in 2019.

The second year of the Strategy Plan focused more on Goal 2, Goal 3 and part of Goal 4 and 5 of the Strategic Plan.

Financial Report

The council recorded a deficit of P65,795.00 in the just ended financial year as compared to the 2016/2017 financial year where the deficit was P23,506.00. The increase in the deficit was due to increase in operating expenses. The total expenses for 2016/2017 financial were P2,523,306.00 compared to P2,792,780.00 in 2017/2018. Despite the deficit the Council is in a sound financial position and it has adequate financial resources to continue in operation for the foreseeable future.

Conclusion

The Quantity Surveyors' Registration Council (QSRC) has made commendable progress with regard to the establishment of the Council, its office, its staffing and the formulation of administrative frameworks; Governance policies have been largely completed; hence the QSRC is ready to commence registration which is its core mandate. The QSRC is hopeful that the Registration Regulations will be published by Attorney General Chambers for the registration process to commence in the next financial year.



REGISTRAR
KEDIBONYE PROCTOR – BSC, QS



5. Audited Financial Statements

Quantity Surveyors' Registration Council
Annual Financial Statements
For the year ended 31 March 2018



General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Registration, regulating and monitoring the activities of the Quantity Surveyors in Botswana.
Council Members	Arumugam Subramaniam Sasitharan Ogaketse Puma Mathware Segolame Ngwato Robert Akanyang Gontse Kgosiemang Ulf Söderström Ookeditse Leburu
Registered office	Lasco House Plot 39, Unit 2 Gaborone International Commerce Park
Business address	Plot 39, Unit 2 Gaborone International Commerce Park
Postal address	P O Box 53778 Gaborone
Bankers	First National Bank of Botswana
Auditors	BDO Certified Auditors
Secretary	Kedibonye Proctor

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

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Council Members' Responsibilities and Approval

The members are required in terms of the Quantity Surveyors' Registration Act, 2013 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 Council 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 Standards. 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 Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of members 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 Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members 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 members have reviewed the Council's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, they are satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 4 to 25, which have been prepared on the going concern basis, were approved by the Council members on 06 November 2018 and were signed on its behalf by:



Arumugam Subramaniam Sasitharan
(Chairman)



Kedibonye Proctor
(Registrar/Secretary)

Council Members' Report

The members have pleasure in submitting their report on the annual financial statements of Quantity Surveyors' Registration Council for the year ended 31 March 2018.

1. Nature of business

Quantity Surveyors' Registration Council was incorporated in Botswana and is engaged in registration, regulating and monitoring the activities of the Quantity Surveying Profession in Botswana. The Council operates in Botswana.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

3. Members

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

Members	Nationality	Designation
Arumugam Subramaniam Sasitharan	Sri Lankan	Chairperson
Ogaketse Puma Mathware	Motswana	Vice Chairperson
Segolame Ngwato	Motswana	Member
Robert Akanyang	Motswana	Member
Motlhopi Gaorengwe	Motswana	Member
Ulf Söderström	Motswana	Member
Ookeditse Leburu	Motswana	Member

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Council or in the policy relating to their use.

Report of the Independent Auditors

To the Council members of Quantity Surveyors' Registration Council

Opinion

We have audited the accompanying annual financial statements of Quantity Surveyors' Registration Council, which comprise the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cashflows for the year then ended, a summary of significant accounting policies and other explanatory notes set out on pages 8 to 24.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Quantity Surveyors' Registration Council as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Council in accordance with the Botswana Institute of Chartered Accountants (BICA) code, which is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Part A and B), together with other ethical requirements that are relevant to our audit of the annual financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council members are responsible for the other information. The other information comprises of the council members' responsibilities and approval of the annual financial statements set out on page 3, the Council members' report set out on pages 4 and 5, and detailed statement of profit and loss set out on page 25. The other information does not form part of the annual financial statements and is presented as additional information.

Our opinion on the annual financial statements does not cover other information and we do not express an 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.

Council Members' Responsibilities for the Annual Financial Statements

The Council members are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the annual financial statements, the Council members are responsible for assessing the Council'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 members either intend to terminate or dissolve the Council, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of the Council members' 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 Council'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 Council 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 members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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Gaborone International Finance Park
P O Box 1839, Gaborone

Donovan Van Der Vyver (BICA Practising Number 20110183)

06 November 2018
Gaborone

Statement of Financial Position as at 31 March 2018

Figures in Pula	Notes	2018	2017
Assets			
Non-Current Assets			
Equipment	3	467 428	561 169
Current Assets			
Trade and other receivables	4	21 033	71 148
Cash and cash equivalents	5	2 600 383	2 516 466
		2 621 416	2 587 614
Total Assets		3 088 844	3 148 783
Equity and Liabilities			
Equity			
Accumulated surplus		2 868 769	2 934 564
Liabilities			
Current Liabilities			
Trade and other payables	6	220 075	214 219
Total Equity and Liabilities		3 088 844	3 148 783

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Notes	2018	2017
		P	P
Revenue/Grant	7	2 709 472	2 499 800
Other income	8	17 513	-
Operating expenses		(2 792 780)	(2 523 306)
Operating deficit		(65 795)	(23 506)
(Deficit)/Surplus for the year		(65 795)	(23 506)
Other comprehensive income		-	-
Total comprehensive (Deficit)/surplus for the year		(65 795)	(23 506)

Statement of Changes in Funds

Figures in Pula	Accumulated surplus	Total funds
Balance at 1 April 2016	2 958 070	2 958 070
Deficit for the year	(23 506)	(23 506)
Total comprehensive Loss for the year	(23 506)	(23 506)
Balance at 1 April 2017	2 934 564	2 934 564
Deficit for the year	(65 795)	(65 795)
Total comprehensive Loss for the year	(65 795)	(65 795)
Balance at 31 March 2018	2 868 769	2 868 769

Statement of Cash Flows

Figures in Pula	Notes	2018	2017
Cash flows from operating activities			
Cash generated from operations	11	104 517	162 814
Cash flows from investing activities			
Purchase of equipment	3	(20 600)	(475 112)
Total cash movement for the year		83 917	(312 298)
Cash at the beginning of the year		2 516 466	2 828 764
Total cash at end of the year	5	2 600 383	2 516 466

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standard Board ("IASB") and the Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

The annual financial statements have been prepared on the historical cost basis except as modified by the revaluation of certain financial instruments, and incorporate the principal accounting policies set out below. They are presented in Botswana Pulas. The functional currency is also the Botswana Pula.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade and other receivables

The Council assesses its Trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If

there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, interest rates and inflation.

Provisions

Provisions are raised when management determined an estimate based on the information available. No provisions were raised at year end (2017: P Nil).

1.2 Equipment

The cost of an item of equipment is recognised as an asset when: it is probable that future economic benefits associated with the item will flow to the Council; and the cost of the item can be measured reliably.

Equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of equipment and costs incurred subsequently to add to, or replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Average useful life
Furniture and fixtures	6-10 years
Motor vehicles	4 years
Office equipment	4-10 years
Computer equipment	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

The gain or loss arising from the derecognition of an item of equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments

Classification

The council classifies financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss - held for trading

Financial assets at fair value through profit or loss - designated

Held-to-maturity investment

Loans and receivables

Available-for-sale financial assets

Financial liabilities at fair value through profit or loss - held for trading

Financial liabilities at fair value through profit or loss - designated

Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Council becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the council's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.5 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the Council also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.6 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 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.

1.7 Provisions and contingencies

Provisions are recognised when the Council 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.

A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring, identifying at least:

- the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of the amount that would be recognised as a provision; and the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.8 Government grants

Government grants are recognised when there is reasonable assurance that: the Council 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).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pula, 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 end of 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.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Council has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IAS 7: Statement of Cash Flows

The amendment was meant to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The effective date of the amendment is for years beginning on or after 1 January 2017.

The Council has adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is not material.

Amendments to IAS 12: Income Taxes

The amendment was meant to clarify the recognition of deferred tax assets for unrealised losses.

The effective date of the amendment is for years beginning on or after 1 January 2017.

The Council has adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is not material.

2.2 Standards and Interpretations early adopted

The following standards and interpretations have been published and are mandatory for the Council's accounting periods beginning on or after 1 July 2017 or later periods and are relevant to its operations:

Standard/ Interpretation:	Effective date:	Expected impact:
Years beginning on or after		
IFRS 16: Leases	1 January 2019	Unlikely there will be a material impact
Amendment to IFRS 9: Financial Instruments	1 January 2019	Unlikely there will be a material impact
Amendments to IFRS 1: First-time adoption of International Financial Reporting Standards	1 January 2018	Unlikely there will be a material impact

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Council's accounting periods beginning on or after 1 July 2018 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendment to IFRS 3: Business Combination	1 January 2019	Unlikely there will be a material impact
Amendments to IAS 23: Borrowings	1 January 2019	Unlikely there will be a material impact
Amendments to IAS 40: Investments Property	1 January 2018	Unlikely there will be a material impact
IFRS 15: Revenue from contracts with customers	1 January 2018	Unlikely there will be a material impact
IFRS 17: Insurance Contracts	1 January 2021	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Pula	2018			2017		
3. Equipment						
	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	298 538	(54 635)	243 903	288 962	(25 178)	263 784
Motor vehicles	194 021	(105 095)	88 926	194 021	(52 547)	141 474
Office equipment	88 902	(15 768)	73 134	82 652	(7 209)	75 443
Computer equipment	108 272	(46 807)	61 465	103 497	(23 029)	80 468
Total	689 733	(222 305)	467 428	669 132	(107 963)	561 169

Reconciliation of equipment - 2018

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	263 784	9 576	(29 457)	243 903
Motor vehicles	141 474	-	(52 548)	88 926
Office equipment	75 443	6 250	(8 559)	73 134
Computer equipment	80 468	4 774	(23 777)	61 465
	561 169	20 600	(114 341)	467 428

Reconciliation of equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	288 963	(25 179)	263 784
Motor vehicles	189 979	-	(48 505)	141 474
Office equipment	-	82 652	(7 209)	75 443
Computer equipment	-	103 497	(23 029)	80 468
	189 979	475 112	(103 922)	561 169

4. Trade and other receivables

Prepayments	4 863	61 148
Deposits	10 000	10 000
Sundry debtors	6 170	-
	21 033	71 148

Fair value of trade and other receivables

Trade and other receivables	21 033	71 148
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The Council members consider the carrying amount of trade and other receivables to approximate their fair value.

Currencies

The carrying amount of trade and other receivables are denominated in the following currencies:

Figures in Pula	2018	2017
Pula	21 033	71 148

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2516	6418
Bank balances	2 597 867	2 510 048
	2 600 383	2 516 466

6. Trade and other payables

Other payables		88 738
Accrued leave pay	32 635	25 322
Accrued severance pay	154 440	67 159
Accrued audit fees	33 000	33 000
	220 075	214 219

Fair value of trade and other payables

Trade and other payables	220 075	214 219
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The Council members consider the carrying amount of trade and other payables to approximate their fair value.

Currencies

The carrying amounts of trade and other payables are denominated in the following currencies:

Pula	220 075	214 219
7. Revenue		
Grant 1st quarter subvention - MIST (16/05/17)	677 368	676 625
Grant 2nd quarter subvention - MIST (16/01/18)	677 368	676 625
Grant 3rd quarter subvention - MIST (20/02/18)	677 368	676 625
Grant 4th quarter subvention - MIST (29/02/18)	677 368	469 925
	2 709 472	2 499 800
8. Other income		
Interest income	12 074	-
Recoveries	5 439	-
	17 513	-

Figures in Pula	2018	2017
9. Operating deficit		
Operating (deficit)/surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
Contractual amounts	134 211	127 029
Depreciation	114 341	103 922
Employee costs	1 290 365	938 466
10. Taxation		
No provision has been made for 2018 tax as the council has no taxable income.		
11. Cash generated from operations		
(Deficit)/surplus before taxation	(65 795)	(23 506)
Adjustments for:		
Depreciation	114 341	103 922
Changes in working capital: Trade and other receivables		
	50 115	(55 590)
Trade and other payables	5 856	137 988
	104 517	162 814

12. Risk management

Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Financial risk management

The Council's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The Council's risk to liquidity is a result of the funds available to cover future commitments. The council manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2018

Trade and other payables

Less than 1 year

220 075

At 31 March 2017

Trade and other payables

Less than 1 year

214 219

Interest rate risk

As the Council has no significant interest-bearing assets, the Council's income and operating cash flows are substantially independent of changes in market interest rates.

Figures in Pula	2018	2017
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12. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Council only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2018	2017
Trade and other receivables	6170	-
Cash and cash equivalents	2 600 383	2 516 466

13. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2018

	Loans and receivables	Total
Trade and other receivables	6170	6170
Cash and cash equivalents	2 600 383	2 600 383
	2 606 553	2 606 553

2017

	Loans and receivables	Total
Cash and cash equivalents	2 516 466	2 516 466

14. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2018

	Financial liabilities at amortised cost	Total
Trade and other payables	220 075	220 075

2017

	Financial liabilities at amortised cost	Total
Trade and other payables	214 219	214 219

Detailed Statement of Profit and Loss

Figures in Pula	2018	2017
Revenue		
Grant 1st Quarter subvention	677 368	676 625
Grant 2nd quarter subvention	677 368	676 625
Grant 3rd quarter subvention	677 368	676 625
Grant 4th quarter subvention	677 368	469 925
	7	2 499 800
Other income		
Interest income	12 074	-
Recoveries	5 439	-
	17 513	-
Operating expenses		
Accounting fees	(22 275)	(14 036)
Advertising	(63 217)	(267 722)
Auditors' remuneration	(37 688)	(33 000)
Bank charges	(11 053)	(6 628)
Cleaning	(27 591)	(28 623)
Computer expenses	(17 169)	(76 043)
Consulting fees	(135 875)	(96 738)
Depreciation	(114 341)	(103 922)
Employee costs	(1 290 365)	(938 466)
Entertainment	(35 528)	(3 216)
Insurance	(6 000)	(6 127)
Legal expenses	(5 400)	(85 568)
Licences	(23 158)	-
Meetings and workshops	(3 465)	(49 791)
Members sitting allowance	(400 334)	(389 700)
Motor vehicle expenses	(4 243)	(2 688)
Office expenses	(75 628)	(33 539)

Detailed Statement of Profit and Loss (continued)

Office rent	(134 211)	(127 029)
Postage	(4 033)	(1 775)
Printing and stationery	(15 576)	(48 237)
Repairs and maintenance	(3 931)	(25 099)
Security	(67 866)	(63 527)
Strategy session	(109 567)	-
Subscriptions	(12 297)	-
Telephone and fax	(33 076)	(22 466)
Training	(29 466)	-
Travel	(109 427)	(81 366)
Utilities	-	(18 000)
	(2 792 780)	(2 523 306)
Surplus for the year	(65 795)	(23 506)

The supplementary information presented does not form part of the annual financial statements and is unaudited

