BANA BA LETSATSI TRUST

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

BANA BA LETSATSI TRUST

FINANCIAL STATEMENTS
for the period ended 31 March 2012

General information

Country of registration and domicile	:	Botswana
Society registration number	:	**FTMA 25/2004**
Date of registration	:	23 April 2004
Nature of business	:	Non governmental Organisation
Coordinator	:	Charlie Ellis
Board of Trustees		
Lillian Costa	:	Chairperson - appointed on 25/11/2009
Jo Luck	:	Vice chairperson - appointed on 25/11/2009
Kaene Seilane	:	Treasurer - appointed on 13/08/2011
Nicky Brandon	:	Member - appointed on 25/11/2009
Pat Dance	:	Member - appointed on 25/11/2011
Thompson Seboni	:	Member - appointed on 25/11/2009
Obenne Mbaakanyi	:	Member – appointed on 13/08/2011
Frank Maruping Mefela	:	Member – appointed on 13/08/2011
Jay Crosby	:	Member – appointed on 13/08/2011
Ruth Stewart	:	Non-voting member – appointed on 13/08/2011
Postal address	:	P. O Box HA 55 HAK Maun, Botswana
Physical address	:	House D6, Chobe Riverside Maun
Bankers	:	Stanbic Bank Botswana Ltd
Auditor	:	Dobson & Co. Certified Auditors

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BOARD OF TRUSTEE`S STATEMENT OF RESPONSIBILITY
for the period ended 31 March 2012

Board of Trustees approval of the financial statements for the period ended 31 March 2012

The Board of Trustees are responsible for the preparation of financial statements for each financial period, which gives a true and fair view of the state of the affairs of the trust as at the end of the financial period and of the surplus or deficit and cash flows of the trust for that period.

The Board of Trustees consider that, in preparing the financial statements for the period ended 31 March 2012 on pages 6 to 20, the trust has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Board of Trustees also consider that all applicable accounting standards have been followed and confirm that the financial statements have been prepared on the going concern basis.

The Board of Trustees is responsible for ensuring that the trust keeps accounting records which disclose with reasonable accuracy at any time the financial position of the trust and which enable them to ensure that the financial statements comply with the Societies Act (CAP 18:01).

The Board of Trustees are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the trust to prevent and detect fraud and other irregularities.

The Board of Trustees are satisfied that the accountants introduced and maintained adequate internal controls to ensure that dependable records exist for the preparation of the trust 's financial statements, to safeguard the assets of the trust and to ensure all transactions are duly authorised.

Against this background, the financial statements set out on pages 6 to 20 which are stated in Pula, the currency of Botswana, and have been approved and authorised for issue on 30 July 2012 by the Board of Trustees and signed on its behalf by:

Executive Coordinator
Charlie Ellis
Date 30 July 2012
Place: Maun

Treasurer
Kaene Seilane
Date: 30 July 2012
Place: Maun

Audit Report to be inserted

REPORT OF THE BOARD OF TRUSTEES
for the period ended 31 March 2012

The Board of Trustees has pleasure in presenting its report, which forms part of the financial statements of Bana Ba Letsatsi Trust for the period ended 31 March 2012.

Nature of business
Non-governmental Organisation

Financial results
The financial results of the trust for the year under review are reflected in the attached financial statements and do not, in our opinion require further comments.

Events after the statement of financial position date
The Board of Trustees are not aware of any matter or circumstance of a material nature that has occurred between the accounting date and the date of this report.

BANA BA LETSATSI TRUST

STATEMENT OF COMPREHENSIVE GRANTS AND RESERVES
for the period ended 31 March 2012

	15 Months Period 2012 P	2010 P
Revenue	**1,876,255**	1,449,240
Other Income	**25,976**	58,910
	1,902,231	1,508,150
Administrative expenses	**(2,152,703)**	(1,160,896)
Deficit/(surplus) for the year	**(250,473)**	347,254
Accumulated surplus at the start of the year	**590,717**	243,463
Prior year adjustment	**(202,960)**	-
Surplus at the end of the year	**137,284**	590,717

BANA BA LETSATSI TRUST

STATEMENT OF FINANCIAL POSITION
for the period ended 31 March 2012

		15 Months Period	
		2012	2010
ASSETS	**Notes**	**P**	P
Non-current assets			
Property, plant & equipment	**2**	**199,852**	80,061
Current assets		**391,638**	524,328
Cash and cash equivalents	**3**	**379,149**	515,845
Trade and other receivables	**4**	**12,490**	8,483
Total assets		**591,490**	604,388
EQUITY AND LIABILITIES		**342,408**	590,717
Grants and reserves		**205,124**	205,124
Accumulated surplus		**137,284**	385,593
Current liabilities			
Trade and other payables	**5**	**249,082**	13,671
Total equity and liabilities		**591,490**	604,388

BANA BA LETSATSI TRUST

STATEMENT OF CHANGES IN GRANTS
for the period ended 31 March 2012

	Capital grant P	Accumulated surplus P	Total equity P
Balance as at 1 January 2010	**205,124**	**385,593**	**590,717**
Deficit of the year	**-**	**(250,473)**	**(250,473)**
Prior year adjustment		**(202,960)**	**(202,960)**
Balance as at 31 December 2011	**205,124**	**(67,840)**	**137,284**

BANA BA LETSATSI TRUST

STATEMENT OF CASH FLOWS
for the period ended 31 March 2012

	Notes	15 Months Period 2012 P	2010 P
Cash flow from operating activities			
Cash generated from operations	**6.1**	**94,902**	361,397
Interest received		**4,081**	6,888
Net cash generated from operating activities		**98,983**	368,285
Cash flow from investing activities			
Disposal of assets		**-**	50,000
Purchase of property,plant and equipment.	**2**	**(235,679)**	(46,226)
Net cash generated from investing activities		**(235,679)**	3,734
Net increase in cash and cash equivalents during the year		**(136,697)**	372,019
Cash and cash equivalents at the beginning of the year		**515,845**	143,826
Cash and cash equivalents at the end of the year		**379,149**	515,845
Represented by:			
Cash in hand		**9,490**	1,463
Cash at bank		**369,659**	514,382
		379,149	515,845

SIGNIFICANT ACCOUNTING POLICIES
for the period ended 31 March 2012

Statement of Compliance
The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs) promulgated by the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2006 and the applicable requirements of the Companies Act, 2003(Act No. 32 of 2004). The adoption of these new and revised Standards and Interpretations has not affected the amounts for the current or prior years.

Basis of preparation
The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. The principal accounting policies are set out below.

Adoption of new and revised standards
Listed below are all the new accounting standards which were early adopted for year ending 31 March 2012.

Standard/Interpretation	Annual periods Beginning on or after
IFRS 9 – Financial instruments	1 January 2013
IFRS 13 – Fair Value Measurements	1 January 2013
IAS 27 – Consolidated and Separate Financial Statements	1 January 2013

Listed below are standards and interpretations in issue and were effective.

Standard/Interpretation	Annual periods Beginning on or After
IFRS 1 – First time adoption of IFRS	1 January 2012
IFRS 7 – Financial instruments: Disclosure	1 January 2012
IAS 1 – Presentation of Financial Statements	1 January 2012
IAS 7 – Statement of cash flows	1 January 2012
IAS 17 – Leases	1 January 2012
IAS24 – Related party Disclosure	1 January 2012
IAS 32 – Financial Instruments: Presentation	1 February 2012
IAS 39 – Financial Instruments: (Recognition and Measurement)	1 January 2012

IAS 1 Presentation of Financial Statements
The objective of this standard is to prescribe the basis for preparation of general purpose financial statements. General purpose financial statements are those statements intended to meet the needs of those users who are not in a position to require an entity to prepare reports tailored to their particular information needs. Adherence to the requirements of the statement should ensure comparability both with the entity's own financial statements of previous periods and with the financial statements of other entities, including foreign and international entities complying with International Financial Reporting Standards (IFRS).

Significant Accounting Judgements, Estimates and Assumptions
The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although the estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be realisably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. Revenue is received from construction contracts.

Property, plant & equipment
All property, plant & equipment are initially recorded at cost less any impairment in value. Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Furniture and fittings	10%
Computer equipment	25%
Electrical equipment	15%
Motor vehicles	25%
Renovation	25%

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either definite or indefinite. Intangible assets with definite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with definite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Investments and other financial assets
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. The company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

As at the end of the current financial period, the company did not have financial instruments that were classified as financial assets at fair value through profit or loss and available-for-sale financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets fixed or determinable payments that are not quoted in an active market when the company has the positive intention and ability to hold to maturity. After initial measurements, loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are amortised or impaired, as well as through the amortisation process.

Financial Instruments

Cash and cash equivalent
Cash and short term deposits in the statement of financial position comprise cash at banks and short term deposits with an original maturity of three months or less. They are measured at amortised cost.

Assets carried at amortised cost
If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised on profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised on profit or loss.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of solvency or significant financial difficulties of the debtor) that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Financial assets derecognition
A financial asset (or, when applicable as part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the assets have expired;
- The company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original amount of the asset and the maximum amount of consideration that the company could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the company's continuing involvement is the amount of the transferred asset that the company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets
The company assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Provisions

General
Provisions are recognised when the company has a present obligation (legal or constructive) 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 amount of the obligation. The expenses relating to any provision is presented in profit or loss. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial instruments: credit, interest rate and exchange rate risk exposures

Credit risk
Financial assets which potentially expose the company to concentrations of credit risk comprise, principally, bank current accounts, trade and other receivables, and amounts due from related parties. The company's bank accounts are placed with high credit quality financial institutions. Trade and other receivables are stated net of the allowance for doubtful recoveries. At the statement of financial position date the company did not have any significant exposure to credit risk from customers situated outside Botswana. There are no significant concentrations of credit risk amongst individual customers.

Interest rate risk
Bank borrowings are at floating rates of interest generally obtained in Botswana, which are negotiated with the banks at Botswana Prime plus a negotiated margin.

Exchange rate risk
At the statement of financial position date, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Botswana Pula. Assets and liabilities in foreign currencies are translated to Botswana currency at rates of exchange approximating those ruling at the end of the financial period.

Foreign currency translation
Transactions in foreign currencies are initially recorded at the currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign are translated and retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Accounting policy for leases (IAS 17)
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Operating Lease
Payments made under operating leases are recognised in the income statement on a straight line basis over the period of the lease.

Related party transactions
Related parties are defined as those parties:

(a) Directly or indirectly through one or more intermediaries, the party:
  - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - (ii) has an interest in the entity that gives its significant influence over the entity; or

(b) Which are members of the key management personnel of the entity or its parent including those members of the family.

	15 Months Period 2012 P	2010 P
1. Operating deficit		
Operating deficit is arrived at after taking into account the following:		
Depreciation:		
Furniture and fittings	**1,510**	1,510
Computer equipment	**3,707**	3,084
Electrical equipment	**2,021**	2,017
Renovation	**55,649**	32,359
Vehicles	**53,000**	18,000
	115,887	56,970

2. Property, plant & equipment	**Electrical**	**Furniture and**	**Computer**			
Cost	**equipment**	**Fittings**	**equipment**	**Renovation**	**Vehicles**	**TOTAL**
Balance at 1 January 2011	**13,446**	**15,102**	**12,337**	**129,435**	**72,000**	**242,320**
Additions	**27**	**-**	**2,491**	**93,162**	**140,000**	**235,679**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 March 2012	**13,473**	**15,102**	**14,828**	**222,597**	**212,000**	**477,999**
Accumulated depreciation						
Balance at 1 January 2011	**4,950**	**5,213**	**8,687**	**97,077**	**46,333**	**162,260**
Charge for the year	**2,021**	**1,510**	**3,707**	**55,649**	**53,000**	**115,887**
Balance at 31 March 2012	**6,971**	**6,723**	**12,394**	**152,726**	**99,333**	**278,147**
Carrying amount						
At 31 March 2012	**6,502**	**8,379**	**2,434**	**69,870**	**112,667**	**199,852**
At 31 December 2010	8,496	9,889	3,650	32,358	25,667	80,060

		15 Months Period 2011 P	2010 P
3	**Cash & cash equivalents**		
	Cash in hand	**9,490**	1,463
	Cash at bank	**369,659**	514,382
		379,149	515,845
4	**Trade and other receivables**		
	Staff advances	**12,490**	8,483
	Sundry debtors	**-**	-
		12,490	8,483
5	**Trade and other payables**		
	Audit fee	**20,720**	-
	Overprovision for audit fees	**3,207**	
	Sundary creditors	**8,864**	5,188
	Suspence account	**202,802**	
	Staff loan	**13,490**	8,483
		249,082	13,671
6	**Cash flow information**		
6.1	**Cash generated from operations**		
	Deficit/(surplus) from ordinary activities	**(250,473)**	347,254
	Adjustments:		
	Depreciation	**115,887**	56,970
	Interest received	**(4,081)**	(6,888)
	Amortisation on grant	**-**	-
	Surplus on disposed assets	**-**	(50,000)
	Cash generated from operations before changes in working capital:	**(138,666)**	347,336
	Changes in working capital:		
	Increase/decrease in trade and other receivables	**(4,007)**	22,397
	Increase/(decrease) in trade and other payables	**237,575**	(8,336)
		94,902	361,397

7. Financial Instruments

Exposure to interest rate and credit risk is in the normal course of the business.

7.1 Foreign exchange rate risk

The organisation invests with a reputable financial institution and is subject to fixed interest rate risk.

7.2 Credit risk exposures

The following table summarises the maximum exposures to credit risk without taking into account collateral held.
There is no collateral received for all financial assets.

	15 Months Period 2012	2010
	P	P
Cash in hand	9,490	1,463
Cash at bank	369,659	514,382
Total maximum exposure	379,149	515,844

7.3 Fair value of financial instruments

The fair value of all financial instruments are substantially identical to the carrying values reflected in the balance sheet. The table below summaries the information.
No valuation methods have been used to measure the fair values since the carrying amounts approximate fair values.

	Carrying amount 15 Months Period 2012	Fair value 15 Months period 2012	Carrying amount 2010	Fair value 2010
Financial assets				
Cash in hand	9,490	9,490	1,463	1,463
Cash at bank	369,659	369,659	514,382	514,382
Trade and other receivables	12,490	12,490	8,483	8,483
Total	391,638	391,638	524,328	524,328
Financial liabilities				
Trade and other payables	249,082	249,082	-	-
	142,556	142,556	524,328	524,328

7.5 Classification of financial instruments

	15 Months Period Loans & receivables 2012	15 Months Period Total 2010	Loans & receivables 2010	Total 2010
	P	P	P	P
Cash in hand	**9,490**	**9,490**	1,463.00	1,463
Cash at bank	**369,659**	**369,659**	514,382	514,382
Trade and other receivables	**12,490**	**12,490**	8,483	8,483
	391,638	**391,638**	524,328	524,328

7.6 Financial instruments designated at fair value through profit or loss

There are no financial instruments which the organisation has designated at fair value through profit or loss.

7.7 Financial assets pledged as collateral

The organisation has not pledged financial assets as collateral.

7.8 Financial assets received as collateral

The organisation has not received financial instruments collateral.

7.9 Liquidity risk

The table below summarises the maturity profiles for financial assets and liabilities.

2012

	Due not later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due after five years	Total
	P	P	P	P	P	P
Financial assets						
Cash in hand	**9,490**	**-**	**-**	**-**	**-**	**9,490**
Cash at bank	**369,659**	**-**	**-**	**-**	**-**	**369,659**
Trade and other receivables	**12,490**	**-**	**-**	**-**	**-**	**12,490**
Total	**391,638**	**-**	**-**	**-**	**-**	**391,638**
Financial liabilities						
Trade and other payables	**249,082**	**-**	**-**		**-**	**249,082**
	249,082	**-**	**-**	**-**	**-**	**249,082**
Net liquidity	**142,556**	**-**	**-**	**-**	**-**	**142,556**

7.10

2010

	Due not later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due after five years	Total
	P	P	P	P	P	P
Financial assets						
Cash in hand	9,490	-	-	-	-	9,490
Cash at bank	369,659	-	-	-	-	369,659
Trade and other receivables	12,490	-	-	-	-	12,490
Total	391,638	-	-	-	-	391,638
Financial liabilities						
Trade and other payables	13,671	-	-		-	13,671
	13,671	-	-	-	-	13,671
Net liquidity	377,967	-	-	-	-	377,967

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION
for the period ended 31 March 2012

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THIS INFORMATION DOES NOT FORM PART OF THE FINANCIAL STATEMENTS AND IS PRESENTED SOLELY FOR THE INFORMATION OF THE BOARD OF TRUSTEES.

BANA BA LETSATSI TRUST

UNAUDITED DETAILED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 March 2012

	15 Months Period	
	2012	2010
	P	P
Revenue	**1,876,255**	1,449,240
Local grants	**639,844**	516,354
International income	**1,236,411**	932,885
Other income	**25,976**	58,910
Bank interest received	**4,081**	6,888
Profit from the disposal of assets	**-**	50,000
Local product sales	**900**	2,022
Other donations	**20,995**	-
Total Income	**1,902,231**	1,508,150
Expediture	**2,152,703**	1,160,896
Advertising	**4,981**	10,281
Audit fees	**23,927**	17,250
Bank charges	**18,112**	15,306
Consultants fee	**1,470**	-
Depreciation	**115,887**	56,970
Donations	**7,567**	200
Entertainment	**-**	-
Electricity and water	**23,928**	14,585
Fundraising	**19,325**	32,109
General expenses	**-**	-
Insurance	**-**	3,063.00
Linces and permits	**520**	-
Legal fees	**2,100**	9,658
Medical	**8,193**	6,156
Petrol expenses	**101,006**	46,389
New projects	**-**	-
Office expenses	**36,906**	25,497
Postage	**3,589**	3,025
Printing and stationary	**13,484**	14,725
Renovation	**-**	-
Rent	**13,358**	18,334
Building repairs and maintenance	**95,230**	109,893
Vehicle repair and maintenance	**48,277**	36,542
Salaries and wages	**487,662**	371,943
Security	**2,554**	3,413
Education fees	**87,627**	76,809
Children welfare	**309,287**	252,192
Telephone and fax	**612,101**	26,348
Training	**10,027**	-
Transport and travel expenses	**111,858**	3,910
Deficit /surplus for the year	**(250,473)**	347,254