

MOSAICO EUROAFRICANO

Annual financial statements
31st December 2003

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MOSAICO EUROAFRICANO

Administration
31st December 2003

Registration no: 2002/4001

Directors

Secretaries Acme Services (Pty) Ltd

Accountants Moores Rowland

Bankers Barclays Bank of Botswana Limited

Postal address P.O. Box 215
Ghanzi

Location Ghanzi

The shareholders of
MOSAICO EUROAFRICANO

Report of the accountants

The attached Balance sheet as at 31st December, 2003 and the Income statement for the period ended as on that date were prepared from the records, information and explanations provided by the directors.

No audit has been carried out.

MOORES ROWLAND
LOBATSE
DATE:

MOSAICO EUROAFRICANO
P.O. Box 215
Ghanzi

Directors' approval

The enclosed financial statements of this company were prepared by our Accountants Moores Rowland from the records, information and explanations furnished by us.

The Balance sheet as at 31st December, 2003 and the Income statement for the period ended on that date together with the enclosures thereto were approved by us as reflecting a true and correct view of the state of affairs of this business as at the Balance sheet date and of the loss for the period ended as on that date respectively.

The undersigned were authorised by the board of directors to sign the annual financial statements on their behalf.

Director

Date:

MOSAICO EUROAFRICANO

Balance Sheet
31st December 2003

Figures in Pula	Notes	31.12.03
ASSETS		
Non current assets		
Property, plant and equipment	1	1,583,332
		<u>1,583,332</u>
Current Assets		
Cash & bank balances		101,626
		<u>101,626</u>
Total assets		<u>1,684,958</u>
EQUITY AND LIABILITIES		
Capital, Reserves and Shareholders' Loans		
Share capital	2	0
Capital grant		1,229,832
Retained income		-84,518
		<u>1,145,314</u>
Current Liabilities		
Elephant company (Pty) Ltd		539,644
		<u>539,644</u>
Total equity and liabilities		<u>1,684,958</u>
The attached notes form part of the accounts.		

Director
Date:

MOSAICO EUROAFRICANO

Income statement 31st December 2003

Figures in Pula	Notes	31.12.03
Income		
Donations		-
Total Income		<u>0</u>
Expenditure		
Bank charges & interest		3,287
Depreciation		46,713
Insurance		16,170
Purchase		364
Repairs and maintenance		3,264
Salaries & wages		14,720
Total expenditure		<u>84,518</u>
Excess of Income over expenditure		<u>-84,518</u>

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Cash flow statement 31st December 2003

Figures in Pula	31.12.03
Cash flow from operating activities	
Income before taxation	-84,518
Adjustment for depreciation	46,713
Operating income before working capital changes	-37,805
Elephant company	539,644
Cash generated from operating activities	501,839
Taxation paid	0
Net cash generated from operating activities	501,839
Cash flow from investing activities	
Purchase of fixed assets	-1,630,045
Net cash utilised by investing activities	-1,630,045
Cash flow from financing activities	
Increase/(decrease) in capital grant	1,229,832
Net cash (utilised by) generated by financing activities	1,229,832
Net increase in cash and cash equivalents	101,626
Cash and cash equivalents at the beginning of the period	0
Cash and cash equivalents at the end of the period	101,626

MOSAICO EUROAFRICANO

Accounting Policies
31st December 2003

Accounting period

The accounting period of this company for the financial statements is the period ended 31st December 2004.

Basis of accounting

The financial accounts are prepared on the historical cost basis and incorporate the following principal accounting policies which have been consistently applied.

Property, Plant & Equipment

Property, Plant & Equipment are depreciated on the straight line method.

The annual rates of depreciation are shown below:

Equipments	15.00%
Building	2.50%

MOSAICO EUROAFRICANO

Notes to the financial statements 31st December 2003

	<u>Pula</u>		
<u>1. Property, plant and equipment</u>	Buildings	Equipments	Total
Cost			
Additions	1582354	47691	1630045
Balance - 31.12.03	1,582,354	47,691	1,630,045
Depreciation			
Charge for the period	39,559	7,154	46713
Disposals			
Balance 31.12.03	39,559	7,154	46,713
Net book value 31st December 2003	1542795	40537	1583332

2. Share capital

Mosaico Euroafricano is registered as a company limited by guarantee and therefore has no share capital. In terms of the Memorandum and Articles of Association the members have given guarantees for P (Pula)

3. Taxation

No provision for taxation has been made keeping in view the provisions of Section 37 of the Income Tax Act.