



TAX

MOSAICO EUROAFRICANO (PROPRIETARY) LIMITED
ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2004

MOSAICO EUROAFRICANO

Annual financial statements
31st December 2004

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MOSAICO EUROAFRICANO

Administration
31st December 2004


Registration no:	2002/4001
Directors	Daniele Santucti Pepilia Lathat
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, 2004 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, 2004 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 2004

Figures in Pula	Notes	31.12.04	31.12.03
ASSETS			
Non current assets			
Property, plant and equipment	1	1,623,411	1,583,332
		<u>1,623,411</u>	<u>1,583,332</u>
Current Assets			
Cash & bank balances		43,033	101,626
		<u>43,033</u>	<u>101,626</u>
Total assets		<u>1,666,445</u>	<u>1,684,958</u>
EQUITY AND LIABILITIES			
Capital, Reserves and Shareholders' Loans			
Share capital	2	-	-
Capital grant		1,418,284	1,229,832
Retained income		(440,714)	(84,518)
		<u>977,570</u>	<u>1,145,314</u>
Current Liabilities			
Elephant company (Pty) Ltd		688,875	539,644
		<u>688,875</u>	<u>539,644</u>
Total equity and liabilities		<u>1,666,445</u>	<u>1,684,958</u>

The attached notes form part of the accounts.


Director
Date:

MOSAICO EUROAFRICANO
**Income statement
31st December 2004**

<u>Figures in Pula</u>	<u>Notes</u>	<u>31.12.04</u>	<u>31.12.03</u>
<u>Income</u>			
Donations		-	-
Total Income		<u>-</u>	<u>-</u>
<u>Expenditure</u>			
Bank charges & interest		4,350	3,287
Children's Food & Other Expenses		132,044	364
Depreciation		56,357	46,713
Insurance		20,581	16,170
Medical Expenses		250	-
Miscellaneous		9,606	-
Professional Fess		4,400	-
Repairs and maintenance		7,251	3,264
Salaries & wages		121,357	14,720
Total expenditure		<u>356,196</u>	<u>84,518</u>
Excess of Income over expenditure		<u>(356,196)</u>	<u>(84,518)</u>
Balance of surplus brought forward		<u>(84,518)</u>	<u>-</u>
Surplus /(Deficit) Carried forward		<u><u>(440,714)</u></u>	<u><u>(84,518)</u></u>

MOSAICO EUROAFRICANO

Cash flow statement
31st December 2004

Figures in Pula	31.12.04
Cash flow from operating activities	
Income before taxation	(356,196)
Adjustment for depreciation	56,357
Operating income before working capital changes	(299,839)
Elephant company	149,231
Cash generated from operating activities	(150,608)
Taxation paid	-
Net cash generated from operating activities	(150,608)
Cash flow from investing activities	
Purchase of fixed assets	96,436
Net cash utilised by investing activities	(96,436)
Cash flow from financing activities	
Increase/(decrease) in capital grant	188,452
Net cash (utilised by) generated by financing activities	188,452
Net increase in cash and cash equivalents	(58,593)
Cash and cash equivalents at the beginning of the period	101,626
Cash and cash equivalents at the end of the period	43,033

MOSAICO EUROAFRICANO

Accounting Policies
31st December 2004

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%
Building	2.5%
Furniture & Fittings	10%

MOSAICO EUROAFRICANO

Notes to the financial statements
31st December 2004

Pula

1. Property, plant and equipment

	Buildings	Furniture	Equipments	Total
Cost				
Balance as on 01.01.2004	1582354	-	47691	1630045
Additions	-	96436	-	96436
Deletions	-	-	-	-
Balance - 31.12.04	1,582,354	96436	47,691	1,726,481
Depreciation				
Balance as on 01.01.2004	39,559	-	7,154	46713
Charge for the period	39,559	9644	7,154	56357
Disposals	-	-	-	-
Balance 31.12.04	79,118	9644	14,308	103,070
Net book value 31st December 2004	1503236	86792	33383	1623411

2. Share capital

Mosaico Euroafricano is registered as a company limited by guarantee and therefore has no share capital. The amounts standing in Sharecapital is treated as capital grant

3. Taxation

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