

## MOSAICO EUROAFRICANO

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2005

**MOSAICO EUROAFRICANO**

Annual financial statements  
31st December 2005

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**MOSAICO EUROAFRICANO**

**Administration**  
**31st December 2005**

<b>Registration no:</b>	2002/4001
<b>Directors</b>	Daniele Santucti Pepilia Lathat
<b>Secretaries</b>	Acme Services (Pty) Ltd
<b>Accountants</b>	Moores Rowland
<b>Bankers</b>	Barclays Bank of Botswana Limited
<b>Postal address</b>	P.O. Box 215 Ghanzi
<b>Location</b>	Ghanzi

The shareholders of  
**MOSAICO EUROAFRICANO**

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**Accounting & Taxation Services**

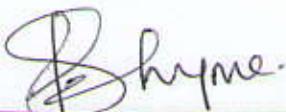
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173 Khama 1 Avenue  
Private Bag 23  
Lobatse, Botswana

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**Report of the accountants**

The attached Balance sheet as at 31st December, 2005 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.



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MOORES ROWLAND

LOBATSE

DATE: 09/05/2006



A member of  
**Moores Rowland International**  
A WORLDWIDE ASSOCIATION OF  
INDEPENDENT ACCOUNTING FIRMS

R.D. Parameswaran B.Sc., A.C.A., F.C.P.A. (Bots)\* A.I. Bootha B.Com., C.F.A., F.C.P.A. (Bots)\*\*  
Nandakumar Raja B.Com., A.C.A., A.C.P.A. (Bots)\* Geetha Nandakumar B.Sc., A.C.A., A.C.P.A. (Bots)\*  
R. Ranjith Kumar B.A., A.C.A., A.C.P.A. (Bots) K. Madhu Menon B.Com., A.C.A., A.C.P.A. (Bots) \* India \*\* South Africa

**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, 2005 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 2005

Figures in Pula	Notes	31.12.05	31.12.04
<b>ASSETS</b>			
Non current assets			
Property, plant and equipment	1	1,567,054	1,623,411
		<b>1,567,054</b>	<b>1,623,411</b>
Current Assets			
Cash & bank balances		125,317	43,033
		<b>125,317</b>	<b>43,033</b>
<b>Total assets</b>		<b>1,692,371</b>	<b>1,666,445</b>
<b>EQUITY AND LIABILITIES</b>			
Capital, Reserves and Shareholders' Loans			
Share capital	2		
Capital grant		1,835,149	1,418,284
Retained income		(839903)	(440,714)
		<b>995,246</b>	<b>977,570</b>
Current Liabilities			
Expenses Payable		697,125	688,875
		<b>697,125</b>	<b>688,875</b>
<b>Total equity and liabilities</b>		<b>1,692,371</b>	<b>1,666,445</b>

The attached notes form part of the accounts.

Director

Date:

## MOSAICO EUROAFRICANO

 Income statement  
 31st December 2005

Figures in Pula	Notes	31.12.05	31.12.04
<b><u>Income</u></b>			
Donations		15,246	-
<b>Total Income</b>		<b>15,246</b>	-
<b><u>Expenditure</u></b>			
Bank charges & interest		5,081	4,350
Children's Food & Other Expenses		96,434	132,044
Depreciation		56,357	56,357
Insurance		22,743	20,581
Medical Expenses		1,156	250
Miscellaneous		635	9,606
Professional Fees		8,250	4,400
Repairs and maintainence		13,059	7,251
Salaries & wages		210,720	121,357
<b>Total expenditure</b>		<b>414,435</b>	<b>356,196</b>
<b>Excess of Income over expenditure</b>		<b>(399,189)</b>	<b>(356,196)</b>
<b>Balance of surplus brought forward</b>		<b>(440,714)</b>	<b>(84,518)</b>
<b>Surplus/(Deficit) Carried forward</b>		<b>(839,903)</b>	<b>(440,714)</b>

**MOSAICO EUROAFRICANO**

**Cash flow statement**  
**31st December 2005**

**Figures in Pula**

**31.12.05**

**Cash flow from operating activities**

Income before taxation (399,189)  
Adjustment for depreciation 56,357

**Operating income before working capital changes**

**(342,832)**

Increase in Expenses Payable 8,250

Cash generated from operating activities (334,582)  
Taxation paid

**Net cash generated from operating activities**

**(334,582)**

**Cash flow from investing activities**

Purchase of fixed assets

**Net cash utilised by investing activities**

**—**

**Cash flow from financing activities**

Increase/(decrease) in capital grant 416,865

**Net cash (utilised by) generated by financing activities**

**416,865**

**Net increase in cash and cash equivalents**

**82,283**

Cash and cash equivalents at the beginning of the period 43,033

Cash and cash equivalents at the end of the period

**125,317**

## MOSAICO EUROAFRICANO

### Accounting Policies 31st December 2005

#### Accounting period

The accounting period of this company for the financial statements is the period ended 31st December 2005.

#### 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 2005

**1. Property, plant and equipment**

	Buildings	Furniture	Equipments	Total
<b>Cost</b>				
Balance as on 01.01.2005	1582354	96,436	47691	1726481
Additions	-	-	-	-
Deletions	-	-	-	-
<b>Balance - 31.12.05</b>	<b>1,582,354</b>	<b>96,436</b>	<b>47,691</b>	<b>1,726,481</b>
<b>Depreciation</b>				
Balance as on 01.01.2005	79,118	9,644	14,308	103070
Charge for the period	39,559	9,644	7,154	56,357
Disposals	-	-	-	-
<b>Balance - 31.12.05</b>	<b>118,677</b>	<b>19288</b>	<b>21,462</b>	<b>159,427</b>
<b>Net book value</b>				
<b>31st December 2005</b>	<b>1463677</b>	<b>77148</b>	<b>26229</b>	<b>1567054</b>

**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 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.