

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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FOR THE YEAR ENDED 31 DECEMBER 2023

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GENERAL COMPANY INFORMATION

Company registration no:	BW00001929808
Registered Office :	Plot 70, Bosele Ward, Ghanzi, Botswana
Business Address :	Farm 67nk, Ghanzi, Botswana
Postal Address :	P O Box 848, Ghanzi, Botswana
Directors	Andreas Manfredi Cacilia Manfredi Lachat Charlcie Susanne Legler
Secretary:	Smart Stand Proprietary Limited
Functional Currency:	BWP
Bankers:	First National Bank
Nature of Business:	A non profit organisation, operating as Day Care Centre

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
Annual Financial Statements

Board of Counsellors of the Financial Statements

Statement of responsibility

The Board of Counsellors of **MOSAICO EURO AFRICANO** is responsible for the preparation and presentation of the financial statements in accordance with Generally Acceptable Accounting Practices in Botswana. This responsibility includes the maintenance of accurate and complete financial records. Where we have obtained assistance from third parties, accountants or "other professionals, including significant judgments, we have understood the contents and acknowledge responsibility for such judgments.

These financial statements comprise the balance sheet of the Company as at **31 DECEMBER 2023** and the income statement, including a reconciliation of opening and closing retained income for the period ended **31 DECEMBER 2023**, and notes to the financial statements, including a summary of significant accounting policies, information required by GAAP in Botswana and other explanatory notes.

The Counsellors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes the design, implementation, maintenance and monitoring of these systems of internal controls. The Company maintains such systems which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the Company's assets. Nothing has come to the attention of the Counsellors to indicate any significant breakdown in the functioning of these systems during the period under review.

In preparing the financial statements, the Counsellors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis unless they either intend to liquidate the Company or to significantly curtail the scale of its operations. Having performed such assessment, the Counsellors believe that the Company has adequate resources in place to continue in operation for the foreseeable future, and at least for up to the end of the next financial year.

Events after the reporting date

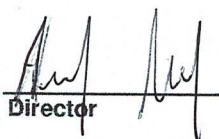
There were no material events after the reporting date, favourable and unfavourable, that occurred between the reporting date and the date of authorisation for issue of these financial statements, that require adjustment to the amounts recognised in its financial statements or that require disclosure in the annual financial statements.

Final version of compiled financial information

The Board of Counsellors confirm that the annual financial statements set out on pages 5 to 15 are the final version of the compiled financial information as envisaged by ISRS 4410 (Revised).

Approval of annual financial statements

Against this background, the Board of Counsellors acknowledge their responsibility for these financial statements, which were approved by the Board, signed on its behalf by the signatories below and simultaneously authorised for issue on **18TH MAY 2024** under a


Director

**COMPILATION REPORT
TO THE COUNSELLORS OF MOSAICO EURO AFRICANO**

We have compiled the accompanying financial statements of Mosaico Euro Africano based on information you have provided. These financial statements are presented in accordance with Generally Accepted Accounting Practices (GAAP) in Botswana. The financial statements comprise the statement of financial position of the company as at **31 DECEMBER 2023** and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

The Counsellors are responsible for these financial statements including adoption of the applicable financial reporting framework, and for the accuracy and completeness of the information used to compile the financial statements.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements. This Standard requires that we comply with quality control standards and relevant ethical requirement, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of expressing an audit opinion or a review conclusion. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

SMART STAND (PTY) LTD.

P. O. Box 848, Ghanzi

Tel: +267 6596422

Practicing member: Seby Jose

Fellow member of Botswana Institute of Chartered Accountants

Member Number:20050083

Plot 66, Tsbantsha Ward, Ghanzi, Botswana



For Smart Stand Proprietary Limited T/A Seby & Associates

Non-Audit Member Firm -Botswana Institute of Chartered Accountants

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTES	2023 P	2022 P
ASSETS			
Non Current Assets			
Property, Plant and Equipment	2	891,656	951,496
Current Assets			
Trade Receivables		10,068	4,038
Cash & Cash Equivalents	4	1,243,435	1,174,348
		<u>1,253,502</u>	<u>1,178,386</u>
Total Assets		<u>2,145,158</u>	<u>2,129,882</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Capital Grant	3	2,585,123	2,585,123
Retained Earnings		(439,964)	(455,241)
Shareholders equity		<u>2,145,159</u>	<u>2,129,882</u>
Non Current Liabilities			
		<u>-</u>	<u>-</u>
Current Liabilities			
Accounts Payable & Other Payables		-	-
Taxation		N/A	N/A
		<u>-</u>	<u>-</u>
Total Equity and Liabilities		<u>2,145,158</u>	<u>2,129,882</u>

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 P	2022 P
Turnover	5	1,874,010	2,098,723
Gross Income		<u>1,874,010</u>	<u>2,098,723</u>
Total Gross Profit		<u>1,874,010</u>	<u>2,098,723</u>
Administration Expenses	7	(1,919,031)	(1,350,007)
Operating Surplus before Interest Expense		<u>(45,021)</u>	<u>748,716</u>
Interest Income	6	60,299	40,377
Net Surplus before Taxation		<u>15,278</u>	<u>789,093</u>
Taxation		N/A	N/A
Net Surplus for the year		<u>15,278</u>	<u>789,093</u>
Reserves at the beginning		(455,241)	(1,244,334)
Reserves at the end of the year		<u>(439,963)</u>	<u>(455,241)</u>

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Accumulated Profit P	Total P
Balance at 1 January 2022	(1,244,334)	(1,244,334)
Net Surplus for the year	789,093	789,093
Balance as at 31 December 2022	<u>(455,241)</u>	<u>(455,241)</u>
Balance at 1 January 2023	(455,241)	(455,241)
Net Surplus for the year	15,278	15,278
Surplus at the end to be used for the building	<u>(439,963)</u>	<u>(439,963)</u>

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 P	2022 P
Operating Surplus	15,278	789,093
Adjustments for items not involving movement of funds		
- Depreciation	75,337	73,790
	90,615	862,883
Changes in working capital:		
-Accounts Receivable & Other Receivable	(6,030)	
- Accounts Payable & Other Payables	-	
	(6,030)	-
Total changes in working capital	(6,030)	-
Cash Flow from Operating Activities	84,586	862,883
Taxation	N/A	N/A
Cash Flow from Investing Activities	(15,497)	-
Cash Flow Financing Activities	-	
Net Cash inflow /(outflow) during the year	69,089	862,883
Analysis of changes in Cash and Cash Equivalents		
- Cash & Cash Equivalents at the beginning of the year	1,174,347	246,997
- Cash & Cash Equivalents at the end of the year	1,243,435	1,174,347
Increase/ (Decrease) in Cash and Cash Equivalents	69,087	927,350

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in Botswana. The financial statements have been prepared on the historical cost basis adjusted for impairment. The deemed cost of certain assets that were revalued before the adoption of the Standard and for these assets the carrying amount at time of adoption of the Standard is the revalued amount at time of adoption of the standard.

These financial statements are presented in Botswana Pula (P)

Foreign currency translation

Functional currency and presentation currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates. (its functional currency)

Transactions and balances

A transaction denominated in foreign currency shall be measured, on initial recognition, in the functional currency by applying to the foreign currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of transaction or where such transaction, is hedged through a forward exchange contract or similar instrument, at the exchange rate specified in such contract or instrument.

Exchange differences arising on the settlement of monetary items or on reporting an entity's monetary items at rates different from those at which they were initially recorded during the reporting period, or reported in previous financial statements, shall be recognised as income or as expenses in the reporting period in which they arise.

Income Tax

Income tax expense represents the sum of the tax currently payable in respect of the taxable profit for the year

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land and depreciable assets

Depreciable assets are measured at cost less accumulated depreciation and any impairment losses.

Depreciation is charged so as to allocate the cost of assets over estimated useful lives, using straight line method. Freehold land is not depreciated. The estimated useful lives are equivalent to the period prescribed by Botswana Unified Revenue Services for the computation of capital allowances are

Leasehold property -	25 years
Industrial buildings -	An initial allowance of 25% with the residue over 40 years
Computer equipment-	4 years
Furniture and fittings -	10 years
Motor vehicles -	4 years
Software -	7.5 years
Patents -	10 years
Machinery & equipment-	6.67 years

A depreciable asset is de-recognised when it is disposed of or when no future economic benefit is expected from its use and disposal. The gain or loss on de-recognition is included in the income statement when the asset is de-recognised.

Impairment of assets

At each reporting date, financial and non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Investments

Investments, including investments with control, joint control or significant influence are measured at cost less any accumulated impairment losses.

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments with control, joint control or significant influence

A subsidiary company is an entity over which the company has control, being more than 50% of the voting rights of that entity.

An associate is an entity over which the company has significant influence but not control, generally being more than 20% of the voting rights of that entity.

A joint venture is the contractually agreed sharing of control over an economic activity.

A jointly controlled entity is an entity where there is contractually agreed sharing control.

The company does not prepare consolidated financial statements, nor equity account or proportionally consolidate associates and joint ventures.

Goodwill

The difference between net assets acquired and the consideration paid is taken to the income statement immediately upon recognition.

Leases

Lease payments are recognised in the income statement as an expense when paid or payable. Any finance expense included in the lease installments is recognised separately in the income statement.

Agricultural produce

Livestock and growing crops are initially measured at cost. Cost comprises the purchase price of the asset and the cost directly attributable to the biological transformation of livestock and growing crops until the asset reaches full production.

or Subsequent to initial measurement agricultural produce is measured at cost less any accumulated impairment loss.

Inventories

Inventories are stated at the taxable value.

Loans and trade receivables

Loans and trade receivables are measured at cost less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts payable

An amount payable is a liability which is a present obligation of the entity arising from the past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

This include creditors, accruals, payments received in advance, employee benefits, bank loans and other short-term obligations.

An amount payable shall initially be measured at its cost, which is documented amount agreed between the parties, usually the invoiced amount.

The gain or loss arising from de-recognition of amounts payable shall be determined as the difference between the consideration received for the part de-recognised, if any, and the allocated carrying amount of the item.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of government authorities.

Sale of goods

Revenue from sales of goods is recognised when the goods are delivered and title has passed to the customer.

Rendering of services

Revenue from sales a contract to provide services is recognised by reference to the stage of completion of the contract.

Contruction contract

Revenue from construction contracts is recognised based on an objective measurement of work completed, which shall be either the accumulated value of invoices raised or the accumulated value of work certified during the reporting period.

Dividends

Revenue from dividends is recognised when the company's right to receive payment is established.

Interest revenue

Interest revenue is accrued for on a time basis by reference to the principal outstanding and the effective interest rate applicable.

Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the cost that is intended to compensate. Where the grant relates to the purchase of an asset , it is recognised as a capital grant in the balancesheet and released to the income statement in equal amounts over the expected useful life of its related asset.

Where the company receives non monetary grant, the asset and the grant are recorded at the fair market value of the underlying asset.

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 PROPERTY, PLANT & EQUIPMENT

	Land Development	Building	Furniture & Fittings	Equipments	Motor Vehicle	Totals
	P	P	P	P	P	P
Cost						
At 1 January 2023	45,044	1,617,713	134,175	311,421	320,000	2,428,353
Additions			15,497			15,497
Disposals			-	-	-	-
As at 31 December 2023	45,044	1,617,713	149,672	311,421	320,000	2,443,850
Depreciation						
At 1 January 2023	-	805,383	109,431	242,043	320,000	1,476,857
Charge for the year		41,427	1,548	32,362		75,337
Disposals			-	-	-	-
As at 31 December 2023	-	846,810	110,979	274,405	320,000	1,552,194
Net Book Value						
As at 31 December 2023	45,044	770,903	38,693	37,016	-	891,656
As at 31 December 2022	45,044	812,330	24,744	69,378	-	951,496

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 P	2022 P
3 Stated Capital		
Mosaico Euro Africano is registered as a company limited by guarantee and therefore has no Stated Capital. It intends to apply its income in promoting its objects and prohibited to pay any dividend to its members. The amounts standing in Stated Capital is treated as Capital Gain.	<u>2,585,122</u>	<u>2,585,122</u>
	<u>2,585,122</u>	<u>2,585,122</u>
4 CASH & CASH EQUIVALENTS		
FNB Flexi Fixed Account	1,062,573	1,108,681
FNB Business Account	176,775	63,325
Cash	4,087	2,342
Total	<u>1,243,435</u>	<u>1,174,348</u>
5 TURNOVER		
Income From Donation	<u>1,874,010</u>	<u>2,098,723</u>
	<u>1,874,010</u>	<u>2,098,723</u>
6 OTHER INCOME		
Interest Income	60,299	40,377
	<u>60,299</u>	<u>40,377</u>

MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 P	2022 P
INCOME	6	1,874,010	2,098,723
GROSS INCOME		<u>1,874,010</u>	<u>2,098,723</u>
7 ADMINISTRATION EXPENSES			
Accounting & Secretarial		3,444	4,482
Animal Feeds		214,170	33,623
Bank charges		7,322	7,959
Depreciation Expense		75,337	73,790
Electricity & Gas		48,685	58,651
Food Expenses		298,249	219,087
Fuel & Motor Expenses		342,834	228,468
Insurance		10,303	10,498
Licenses & Permits		7,009	7,162
Medical Expenses		190,054	195,485
Miscellaneous Expenses		44,382	20,400
Postage & Telephone		16,762	17,625
Printing & stationary		15,697	8,862
Repairs & Maintenance		141,927	61,588
Salaries & Wages		502,857	402,325
TOTAL ADMINISTRATION EXPENSES		<u>1,919,031</u>	<u>1,350,007</u>
NET Surplus to be used for future development		<u>(45,021)</u>	<u>748,716</u>

CAPITAL ALLOWANCES

FORM ITA 202

PLANT OR MACHINERY

FOR THE YEAR ENDED 31 DECEMBER 2023

ASSESSMENT
FILE NUMBER

		NAME: MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)					BW00001929808		
SUMMARY		Acquired Before 07/01/1982	2.5%	Acquired after 30/6/1982		10%	15%	25%	Current Year Claim/Charge
		(a)	(b)	(c)	(d)	(e)	(f)		
COST INCURRED ON PLANT OR MACHINERY	1. Held at end of previous tax year (B/F)		1,617,713	134,175	311,421	320,000			
	2. Plus : Added in the year (202 A)		0	0	15497	0			
	3. (1+2)		1,617,713	134,175	326,918	320,000			
	4. Minus: Disposed of in the year (202 B)		0	0	0	0			
	5. Held at end of current tax year (3 - 4)		1617713	134175	326918	320000			
AMOUNT ROLLED OVER	6. Against prior years' Additions (B/F)			0	0	0			
	7. Plus: Against current year's Additions (202 A)			0	0	0			
	8. (6+7)			0	0	0			
	9. Minus: Against current year's Disposals			0	0	0			
	10. Against items held at end of current tax year (C/F)			0	0	0			
	11. Balance of cost Available (5 - 10)		1617713	134175	326918	320000			
ANNUAL ALLOWANCES ABSORBED	12. Against items held at end of previous year (B/F)		805383	109431	242043	320000			
	13. Plus: In current year (proportion of Balance of of cost available) (11)		41427	10% 1548	15% 32362.26	25% 0		75337	
	14. (12 + 13)		846810	110979	274405	320000			
	15. Minus: Against current year's Disposals (202 B)			0	0	0			
	16. Against items held at end of current tax year (14 - 15)		846810	110979	274405	320000			
	17. Balance of Cost Unabsorbed (11 - 16)		770903	23196	52513	0			
BALANCING ALLOWANCES & CHARGES	18. Balancing allowances (202 B)			0	0	0			
	19. Balancing Charges (202 B)			0	0	0			
	20. Less: Amount to be rolled over (202 B)			0	0	0			
	21. Net Balancing Charges			0	0	0			
INVESTMENT ALLOWANCES	22. Granted in 3 prior years								
	23. Recovery Charges (202 B)								

CAPITAL ALLOWANCES				FORM ITA 202 A		
ADDITIONS TO PLANT OR MACHINERY IN THE YEAR ENDED 31st DECEMBER 2023						
NAME:	MOSAICO EURO AFRICANO (COMPANY LIMITED BY GUARANTEE)					
Item	Annual Allowance 10%		Annual Allowance 15%		Annual Allowance 25%	
	Cost Incurred	Roll Over	Cost Incurred	Roll Over	Cost Incurred	Roll Over
Office Furniture	15,497.00					
SUMMARY TOTALS TO CONTINUATION SHEET	15497	0	0	0	0	0