MAMLATHAN & ASSOCIATES
Audit, Tax & Advisory

Plot 2463, Tshekedi Crescent, Ext 9 | P. O. Box AE 746 AEH | Gaborone, Botswana
T: + (267) 3161777 E: info@mamlathan.co.bw

FINANCIAL STATEMENTS:

COPYRIGHT SOCIETY OF BOTSWANA

YEAR ENDED

30 JUNE 2018

General Information

Country of incorporation and domicile	Botswana
Directors	Tomeletso Sereetsi(Chairman) Alfred Mosimanegape(Treasurer) Patrick Setsiba(Vice-Chairman) Kopano Mantswe Benjamin M.Mogotsi Game G.Bantsi Winnie W.Sekani Trinity M.Mphoeng Mpho Matlhasedi
Business address	1st Floor,Plot 4792 Gaborone
Bankers	First National Bank Barclays Bank,Bank Gaborone
Auditors	Mamlathan & Associates Registered Auditor MeFBW15015 Plot 2463,Tshekedi Crescent, Ext 9 Gaborone, Botswana P O Box AE 746 AEH Gaborone
Company registration number	CO2008/3322
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

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(Registration number: CO2008/3322)
Financial Statements for the year ended 30 June 2018

Index

The reports and statements set out below comprise the financial statements presented to the members:

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the society as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the society and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the society and all employees are required to maintain the highest ethical standards in ensuring the society's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the society is on identifying, assessing, managing and monitoring all known forms of risk across the society. While operating risk cannot be fully eliminated, the society endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the society's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the society's financial statements. The financial statements have been examined by the society's external auditors and their report is presented on page 5.

The financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the board of directors on 15 November 2018 and were signed on its behalf by:

Approval of financial statements

Tomeletso Sereetsi(Chairman)	**Alfred Mosimanegape(Treasurer)**

Directors' Report

The directors have pleasure in submitting their report on the financial statements of COPYRIGHT SOCIETY OF BOTSWANA for the year ended 30 June 2018.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the society are set out in these financial statements.

2. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

3. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the society's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the society's auditors are aware of that information.

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Independent Auditor's Report

To the members of COPYRIGHT SOCIETY OF BOTSWANA

Qualified opinion

We have audited the financial statements of COPYRIGHT SOCIETY OF BOTSWANA set out on page 7-10, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance ,statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of COPYRIGHT SOCIETY OF BOTSWANA as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for qualified opinion

-The management had raised a provision on royalties of P10 443 446.16 which has materially misstated the financial statements by P8 256 095.16,The reversal of which is material to the financial statements in terms of the value and treatment thus affecting the retained income.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies

Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors 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 of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

¤Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

¤Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

¤Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

¤Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

¤Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Required when describing the auditor's responsibility in a group audit engagement, in terms of ISA 600:

¤Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mamlathan & Associates
Membership #(MeFBW15015)

Mompati Kgaimena ACCA ACPA
Membership #:(20100059)
14 November 2018

Statement of Financial Position as at 30 June 2018

	Note(s)	2018 P	2017 P
Assets			
Non-Current Assets			
Property, plant and equipment	2	3 926 466	4 075 222
Current Assets			
Trade and other receivables	3	8 704 386	6 884 974
Cash and cash equivalents	4	4 327 143	1 755 842
		13 031 529	**8 640 816**
Total Assets		**16 957 995**	**12 716 038**
Equity and Liabilities			
Equity			
Retained income		10 190 603	(908 961)
Liabilities			
Non-Current Liabilities			
Finance lease liabilities		2 060 376	2 133 591
Current Liabilities			
Trade and other payables	5	205 504	1 091 270
Provisions for employee benefits,royalties & legal	6	4 501 512	10 400 138
		4 707 016	**11 491 408**
Total Liabilities		**6 767 392**	**13 624 999**
Total Equity and Liabilities		**16 957 995**	**12 716 038**

Statement of Comprehensive Income

	Note(s)	2018 P	2017 P
Revenue	7	12 152 226	10 008 550
Cost of sales	8	(1 879 785)	(6 196 074)
Gross profit		**10 272 441**	**3 812 476**
Other income	9	69 715	78 844
Operating expenses		(7 295 897)	(8 273 058)
Operating profit (loss)		**3 046 259**	**(4 381 738)**
Investment revenue		878	3 504
Finance costs		(203 670)	(119 622)
Profit (loss) for the year		**2 843 467**	**(4 497 856)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**2 843 467**	**(4 497 856)**

COPYRIGHT SOCIETY OF BOTSWANA

(Registration number: CO2008/3322)
Financial Statements for the year ended 30 June 2018

Statement of Changes in Equity

	Retained income P	Total equity P
Balance at 01 July 2016	**3 595 316**	**3 595 316**
Loss for the year	(4 497 856)	(4 497 856)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(4 497 856)**	**(4 497 856)**
Movement in retained earnings	(6 421)	(6 421)
Total changes	**(6 421)**	**(6 421)**
Balance at 01 July 2017	**(908 961)**	**(908 961)**
Profit for the year	2 843 467	2 843 467
Other comprehensive income	-	-
Total comprehensive income for the year	**2 843 467**	**2 843 467**
Movement in Retained Earnings	8 256 097	8 256 097
Total changes	**8 256 097**	**8 256 097**
Balance at 30 June 2018	**10 190 603**	**10 190 603**

Note(s)

Statement of Cash Flows

	Note(s)	2018 P	2017 P
Cash flows from operating activities			
Cash generated from operations	10	2 957 427	322 150
Interest income		878	3 504
Finance costs		(203 670)	(119 622)
Net cash from operating activities		**2 754 635**	**206 032**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(115 313)	(3 800 116)
Sale of property, plant and equipment	2	5 194	-
Net cash from investing activities		**(110 119)**	**(3 800 116)**
Cash flows from financing activities			
Finance lease payments		(73 215)	2 133 591
Total cash movement for the year		**2 571 301**	**(1 460 493)**
Cash at the beginning of the year		1 755 842	3 216 335
Total cash at end of the year	4	**4 327 143**	**1 755 842**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in Pula.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the 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 profit or loss.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

1.4 Impairment of assets

The society assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related 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 profit or loss.

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, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.5 Share capital and equity

If the Society reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the society's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Accounting Policies

1.6 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Past service costs are recognised immediately as an expense.

Actuarial gains or losses are recognised in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the society is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In the statement of income and retained earnings, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.7 Provisions and contingencies

Provisions are recognised when the society has an obligation at the reporting date as a result of a past event; it is probable that the society will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.8 Revenue

Revenue is recognised to the extent that the society has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the society. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.6 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Past service costs are recognised immediately as an expense.

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1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

	2018 P	2017 P

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	3 787 297	(94 131)	3 693 166	3 757 823	-	3 757 823
Furniture and fixtures	140 800	(80 940)	59 860	142 775	(70 080)	72 695
Motor vehicles	602 135	(526 673)	75 462	598 163	(402 063)	196 100
Office equipment	30 066	(1 328)	28 738	-	-	-
IT equipment	351 944	(282 704)	69 240	307 291	(259 337)	47 954
Property, plant and equipment 1	6 500	(6 500)	-	6 500	(5 850)	650
Total	**4 918 742**	**(992 276)**	**3 926 466**	**4 812 552**	**(737 330)**	**4 075 222**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	3 757 823	29 474	-	(94 131)	3 693 166
Furniture and fixtures	72 695	2 123	(4 099)	(10 859)	59 860
Motor vehicles	196 100	3 972	-	(124 610)	75 462
Office equipment	-	30 066	-	(1 328)	28 738
IT equipment	47 954	49 678	(5 025)	(23 367)	69 240
other fixed assets	650	-	-	(650)	-
	4 075 222	**115 313**	**(9 124)**	**(254 945)**	**3 926 466**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Other changes, movements	Depreciation	Closing balance
Buildings	-	3 757 823	-	-	3 757 823
Furniture and fixtures	78 301	8 603	(17)	(14 192)	72 695
Motor vehicles	344 017	-	-	(147 917)	196 100
IT equipment	59 675	33 690	(12 196)	(33 215)	47 954
Other fixed assets	1 625	-	-	(975)	650
	483 618	**3 800 116**	**(12 213)**	**(196 299)**	**4 075 222**

3. Trade and other receivables

	2018	2017
Trade receivables	8 365 396	6 724 051
Employee costs in advance	101 000	99 000
Prepayments (if immaterial)	237 110	43 923
Deposits	880	18 000
	8 704 386	**6 884 974**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2018	2017
Cash on hand	3 111	3 162
Bank balances	4 324 032	1 752 680
	4 327 143	**1 755 842**

Notes to the Financial Statements

	2018 P	2017 P

5. Trade and other payables

	2018	2017
Trade payables	195 655	483 648
Other payables	-	600 000
Deposits received	9 849	7 622
	205 504	**1 091 270**

6. Provisions for employee benefits,royalties & legal

Reconciliation of provisions for employee benefits,royalties & legal - 2018

	Opening balance	Additions	Total
Provisions for employee benefits	11 934	4 909	16 843
Provision for Royalties	9 799 744	(8 318 105)	1 481 639
Provisions for employee benefits & doubtful debts	588 460	2 414 570	3 003 030
	10 400 138	**(5 898 626)**	**4 501 512**

Reconciliation of provisions for employee benefits,royalties & legal - 2017

	Opening balance	Additions	Utilised during the year	DBS Adjustment	Total
Provisions for employee benefits	-	11 394	540	-	11 934
Provision for Royalties	4 624 435	2 696 074	(1 020 765)	3 500 000	9 799 744
Provision	1 172 835	588 460	(1 172 835)	-	588 460
	5 797 270	**3 295 928**	**(2 193 060)**	**3 500 000**	**10 400 138**

7. Revenue

	2018	2017
Revenue	12 152 226	10 008 550

8. Cost of sales

	2018	2017
Sale of goods		
Cost of services/royalties	1 879 785	2 696 074
DBS royalties	-	3 500 000
	1 879 785	**6 196 074**

9. Other income

	2018	2017
Rental income	63 412	26 344
Other income	6 303	52 500
	69 715	**78 844**

Notes to the Financial Statements

	2018 P	2017 P
10. Cash generated from operations		
Profit (loss) before taxation	2 843 467	(4 497 856)
Adjustments for:		
Depreciation and amortisation	254 945	196 299
Loss on sale of assets	3 930	-
Interest received	(878)	(3 504)
Finance costs	203 670	119 622
Movements in provisions	(5 898 626)	4 602 868
Movement in retained earnings	8 256 097	5 792
Changes in working capital:		
Trade and other receivables	(1 819 412)	(416 247)
Trade and other payables	(885 766)	315 176
	2 957 427	**322 150**

Detailed Income Statement

	Note(s)	2018 P	2017 P
Revenue			
Revenue		12 152 226	10 008 550
Cost of sales			
Cost of Services/Royalties		(1 879 785)	(6 196 074)
Gross profit		**10 272 441**	**3 812 476**
Other income			
Rental income		63 412	26 344
Sundry income		6 303	52 500
Interest received		878	3 504
		70 593	**82 348**
Expenses (Refer to page 18)		**(7 295 897)**	**(8 273 058)**
Operating profit (loss)		**3 047 137**	**(4 378 234)**
Finance costs		(203 670)	(119 622)
Profit (loss) for the year		**2 843 467**	**(4 497 856)**

The supplementary information presented does not form part of the financial statements and is unaudited

Detailed Income Statement

	Note(s)	2018 P	2017 P
Operating expenses			
Accounting fees		(114 094)	(35 700)
Administration and management fees		(2 507)	(8 385)
Advertising		(176 628)	(225 856)
Bank charges		(14 853)	(21 972)
Cleaning		(26 404)	(30 948)
Consulting fees		(10 596)	-
Commission & Recruitment fees		(110 624)	-
Common area Management Fees		(4 948)	-
General expenses		(449)	(4 439)
Depreciation, amortisation and impairments		(254 945)	(196 299)
Donations		(43 500)	-
Employee costs		(2 941 281)	(3 792 556)
Entertainment		(36 789)	(33 954)
Swipping Machine		(2 157)	(3 634)
Membership expenses		(346 208)	(256 293)
Leave days Expenses		(74 713)	(116 792)
Staff Pension		(137 993)	(169 063)
Board Expenses		(510 978)	(285 591)
Monitoring Expenses		(9 900)	(1 403 619)
Licencing Expenses		(24 099)	(24 211)
IT expenses		(100 554)	(36 429)
Insurance		(42 473)	(74 208)
Lease rentals on operating lease		(786)	(368 960)
Legal expenses		(1 620 321)	(682 987)
Levies		(39 582)	(21 379)
Medical expenses		(54 279)	(77 941)
Motor vehicle expenses		(30 938)	(12 775)
Municipal expenses		(20 556)	-
Cultural & Social Fund		-	(948)
Petrol and oil		(46 680)	(35 910)
Printing and stationery		(91 749)	(81 439)
Profit and loss on sale of assets and liabilities		(3 930)	-
Repairs and maintenance		(47 616)	(3 138)
Secretarial fees		(68 600)	-
Security		(11 431)	(4 678)
Staff welfare		(17 577)	(65 280)
Subscriptions		(5 552)	-
Telephone and fax		(143 014)	(161 078)
Training		(8 500)	(21 111)
Travel - local and international		(98 093)	(15 485)
		(7 295 897)	**(8 273 058)**