

2016/17 ANNUAL REPORT



Quantity
Surveyors'
Registration
Council

We regulate for your success

Table Of Contents

1. CORPORATE PROFILE	
1.1 - About Us	3
1.2 - QSRC Pillars	4
• Vision	
• Mission	
• Mandate	
1.3- QSRC Values	4
2. CHAIRMAN'S REPORT	
2.1 - Chairman's End of Tenure	6
2.2 - Vote of Thanks to Outgoing Council Members	6
2.3 - Conclusion	6
3. CORPORATE GOVERNANCE	
3.1 - Council Members	7
3.2 - Secretariat	8
3.3 - Council Committees	9
3.3.1 - Registration and Standards Committee	10
3.3.2 - Finance and Procurement Committee	11
3.3.3 - Research and Development Committee	12
3.3.4 - Disciplinary Committee	13
3.3.5 - Investigation Committee	14
4. REGISTRAR'S REPORT	
4.1 - The Council Charter	15
4.2 - Registration Regulations	16
4.3 - Code of Ethics & Professional Conduct Standards for Quantity Surveyors	16
4.4 - Registration Policy	16
4.5 - Finance and Procurement Policy	16
4.6 - Performance Management and Training Policy	16
4.7 - Accreditation of Academic Institutions	17
4.8 - Stakeholder Engagement	17
4.9 - Fee Tariffs for Quantity Surveying Services	17
4.10 - Strategic Plan (2016-2019)	17
4.11 - Conclusion	19
5. AUDITED FINANCIAL STATEMENTS	22



**Quantity
Surveyors'
Registration
Council**

Corporate Profile

1.1 - About Us

The Quantity Surveyors' Registration Council (QSRC) is a professional regulation body established in terms of the Quantity Surveyors' Registration Act, 2013, to monitor and regulate the activities and conduct of Quantity Surveyors in Botswana. The QSRC came into effect in 2013 following the passing of the Quantity Surveyors' Registration Act on the 4th of October 2013. The Act established the Quantity Surveyors' Registration Council; to provide for the regulation of the practice of Quantity Surveying and for matters incidental thereto.

The Council is made up of 7 members as follows:

- i. One person eligible for registration under the Act, appointed by the Minister
- ii. One person from outside the Quantity Surveying profession, appointed by the Minister
- iii. The Director of the Department of Building and Engineering Services, or his/her appointed representative, who shall be an ex-officio member; and
- iv. Four persons eligible for registration under the Act, elected by the Institute (duly registered and recognized as representing Quantity Surveyors in Botswana) upon notification from the Minister to elect members, of whom at least three (3) shall be from the private sector.

The appointments were Gazetted on 1st June 2014 but effective 1st April 2014 and valid for specified periods. The Council members were inaugurated by the then Minister of Infrastructure, Science and Technology (MIST), Honourable Johnie Swartz accompanied by his Permanent Secretary, Deputy Permanent Secretary and other MIST officials on the 10th of July 2014. The QSRC operations are currently funded by government subventions, however systems will be put in place for the Council to be self-sustained as time progresses

The Council is also expected to promote performance,

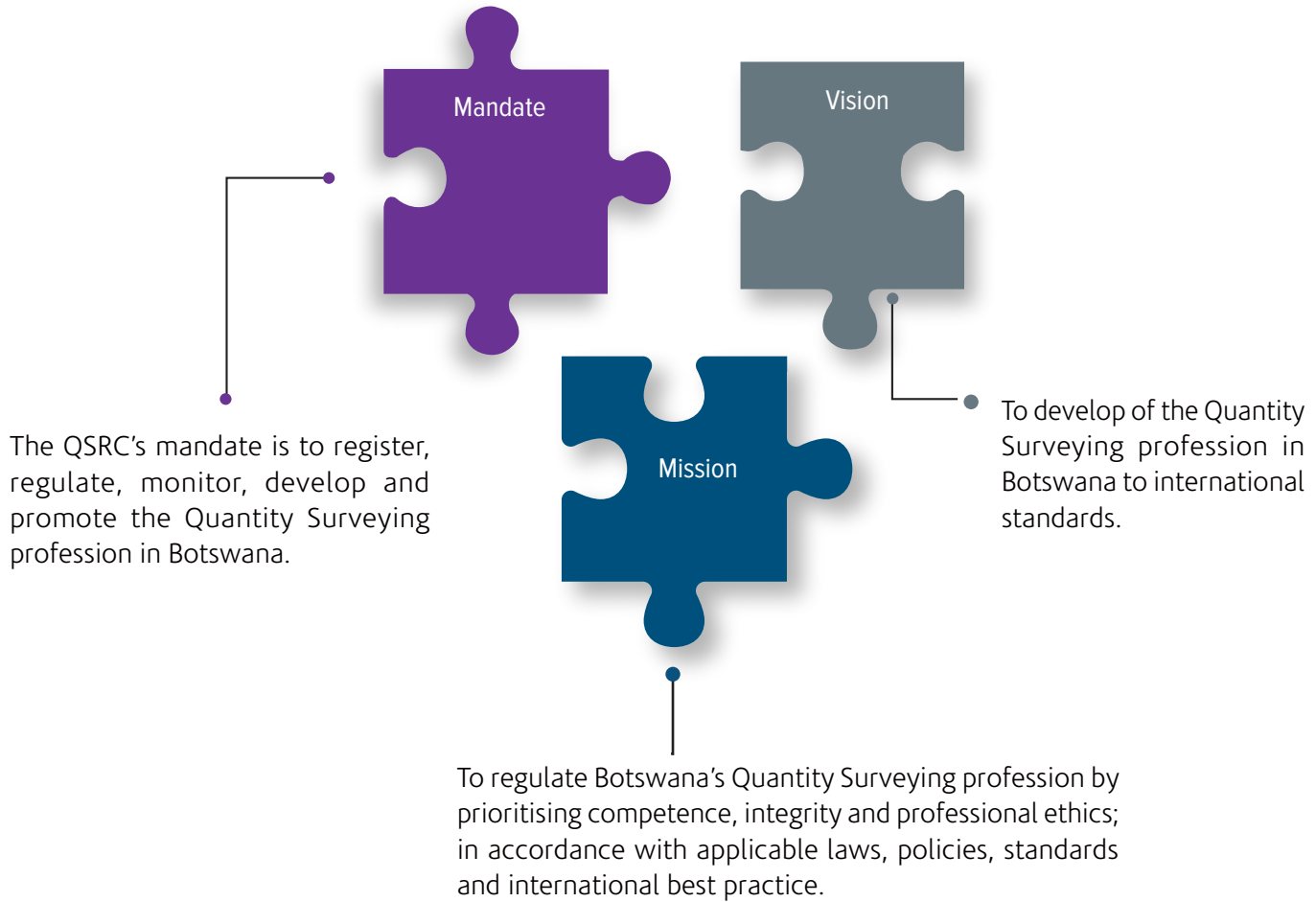
excellence and professionalism in the Quantity Surveying profession by ensuring that all Quantity Surveyors (QS) adhere to laid down rules and regulations, code of conduct, as well as registration and implementation of control measures.

The objectives of QSRC are to:

- Protect the interests of members of the public in any dealings with QSs
- Maintain the integrity of the profession of Quantity Surveying
- Ensure compliance with set ethics and standards within the QS profession
- Encourage research and development of the QS profession.
- To register and regulate QSs in Botswana

This can further be extended to include the following:

- To be a Body of knowledge - standardisation
- Regulate the profession to guard against unethical behaviour
- To liaise with other professionals within the built environment – to address challenges in the construction sector
- To educate clients on the role of the QS as the role has evolved over time e.g. cost control/cost analysis, scheduling and cashflow monitoring, etc.
- To promote good quality service to the general public
- To regulate the use of foreign based QS firms in Botswana
- To be the liaising body between Government and the QSs since Government is the main developer in Botswana.



1.3 - QSRC Values

Professionalism	<ul style="list-style-type: none"> We are dedicated to quality, timeliness and excellence in our service and live up to the commitments we set. We perform our tasks and deliver our outputs to the best of our ability with a focus on continuously improving quality, productivity and professional development in line with international professional standards.
Integrity	<ul style="list-style-type: none"> We are honest and adhere to ethical principles.
Transparency and accountability	<ul style="list-style-type: none"> We are clear and open while exercising our mandate. We recognize our obligation to bear the consequences of our actions and decisions
Equality and Fairness	<ul style="list-style-type: none"> We perform our functions and duties in ways that are just, unbiased and non-discriminatory
Stakeholder sensitivity/Customer Focus	<ul style="list-style-type: none"> We identify key stakeholders locally and globally and address their interests
Teamwork	<ul style="list-style-type: none"> We embrace togetherness, promote and support a diverse, yet unified, team. We believe in partnerships and collaboration while maintaining individual accountability. We combine resources, competences, skills and work as a team in pursuit of our Vision.



GONTSE KGOSIEMANG FRICS, PMP

It is my honour and privilege to present on behalf of the Council the Annual Report including Audited Financial Statements of the Quantity Surveyors' Registration Council (QSRC) for the year ended 31 March 2017; in compliance with Section 46(1) of the Quantity Surveyors' Registration Act, 2013.

This is our first year of having the QSRC Secretariat fully operational for the period under review. The QSRC has made much progress as pertains to the establishment of its office, staffing and the formulation of administrative frameworks. All systems and processes to facilitate for the Registration of Quantity Surveyors have been put in place and I am happy to announce that the Draft Registration Regulations were submitted to our sponsor Ministry, the Ministry of Infrastructure and Housing Development for gazetting. We are hopeful that registration of Quantity Surveyors will commence in the next financial year of 2017/2018. The Council has also developed the Code of Ethics & Professional Conduct Standards for Quantity Surveyors, which sets out the minimum standard of professional conduct and practice to be expected of Quantity Surveyors in the provision of services to the Clients.

The QSRC maintains constant interaction with construction industry regulatory bodies such as the Architects' Registration Council and the Engineers Registration Board in an attempt to ensure that developments made within the QSRC are aligned with those of the associated regulatory bodies, thereby ensuring cohesion and consistency in the regulation of the construction industry. This interaction shall continue as it is crucial for the efficient functioning of the industry at large.

The QSRC shall maintain its strategic focus areas of Registration, establishing sustainability and undertaking its advisory/liaison role to Government as required. Furthermore, once the submitted Registration Regulations are published, the QSRC will be better positioned to carry out its role of monitoring, developing and regulating the Quantity Surveying profession. As part of its advisory objective, the QSRC has developed fee tariffs for Consulting Quantity Surveyors to eliminate dependence on the South African fee scale which was used in the past. As part of our continued stakeholder engagement we intend to hold facilitated workshops on the proper use of the tariffs.

The Council has also developed a 3-year Strategy Plan which will be finalised in the first quarter of the next financial year. Apart from informing the annual budgeting process, the Strategic Plan document provides analysis and projections for the first 3 years after the appointment of the Founding Registrar, and activities

that support the Council's plan for long term growth and sustainability. The Plan's primary focus lies on the registration process, and making sure that there are proper Registration Regulations and Guidelines, and post registration processes to monitor the professional conduct of all registered members. We aspire to have all Quantity Surveyors in Botswana registered and additionally being involved in Engineering projects as well as to provide mentorship to aspiring Quantity Surveyors in Botswana.

2.1 - Chairman's End of Tenure

It has been an honour and a privilege to serve my profession in the capacity of Chairman for the past 3 years. During this period we achieved a lot, though a lot less than what we had set for ourselves. I am grateful for the support of the Ministry of Infrastructure and Housing Development, Staff and Members of the Council.

I leave the Chairmanship of the Council in the good hands of a motivated team led by my successor Mr. Arumugam Subramaniam Sasitharan, MRICS. Our dream is to develop the QS profession in Botswana to a standard where every registered QS is a proud ambassador of the profession.

2.2 - Vote of Thanks to Outgoing Council Members

On behalf of the Quantity Surveyors' Registration Council, I wish to express our appreciation and gratitude to Mr Koziba Palalani and Mr Ishmael Monkutlwatsi for their support and significant contributions during their tenure as members of the governing Council; as their



GONTSE KGOSIEMANG FRICS, PMP
OUTGOING CHAIRPERSON

tenure ended 31st March 2017.

Their contributions in laying the foundation for the forthcoming registration of Quantity Surveyors shall not be forgotten. They have assisted greatly in the formulation of crucial structures and policies and have left a highly functional system for future Council members to maintain. We wish to express our heartfelt thanks for their service and commitment to the development of the Quantity Surveying profession.

Also worth mentioning are the following individuals who have agreed to volunteer their services and expertise on Committees of the Council:

Ms Tobile Lemo – Finance and Procurement Committee

Mr Cliff Dithapo - Finance and Procurement Committee

Mr Peter Gabaratane – Registration and Standards Committee

Mrs Latelang Chakalisa - Registration and Standards Committee

2.3 - Conclusion

In conclusion, I would like to thank the Honourable Minister of Infrastructure and Housing Development, the Permanent Secretary and his Executive Team for the support they have been giving us ever since the formulation of this Council. Together with the QSRC Secretariat; Council Members, present and past, as the founding Chairperson, I acknowledge that they have all contributed to the success of the Council.

3.1 - Council Members



						
Ogaketse Mathware <i>Member</i>	Koziba Palalani <i>Vice Chairman</i>	Robert Akanyang <i>Member</i>	Gontse Kgosiemang <i>Chairman</i>	Arumugam S. Sasitharan <i>Member</i>	Ulf Söderström <i>Member</i>	Ishmael Monkutlwatsi <i>Member</i>

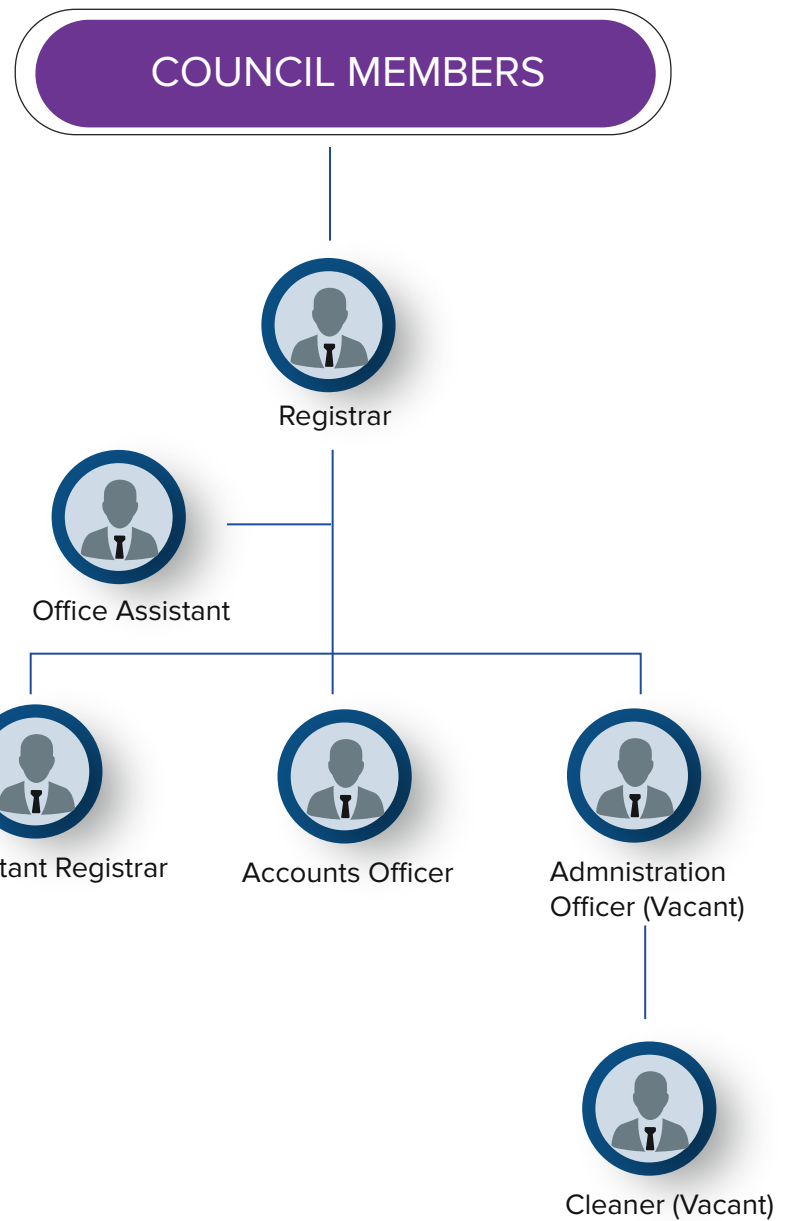
3.2 - Secretariat



Tshepo Kaise
Office Assistant

Kedibonye Proctor
Registrar

Dumisani F. Ntini
Assistant Registrar

Secretariat**3.3 - Council Committees**

In accordance with Section 12 of the Quantity Surveyors' Registration Act, 2013, the Quantity Surveyors' Registration Council has established Committees that are meant to assist in the overall performance of its statutory functions.

The Committees are as shown on the next pages;

3.3.1 - Registration and Standards Committee



Latelang Chakalisa
External Member

Arumugam S. Sasitharan

Ulf Söderström
Committee Chairperson

Ishmael Monkutlwatsi

Peter Gabaratane
External Member

The primary role of the Registration and Standards Committee is to assess registration applications and recommend applicants to the Council for registration; to ensure that registered persons meet the set conditions and requirements for registration with the QSRC. In line with best practice, the Committee also considers, recommends and approves policies pertinent to the Registration of Quantity Surveyors in Botswana. Another crucial aspect of its functions is determining that Registration is consistent with Sections 23 and 24 of the Quantity Surveyors' Registration Act, 2013. The Committee shall also assess, determine and oversee the accredited Continuous Personal Development (CPD) courses and seminars that it deems fit for approval in the maintenance of members' competency.

3.3.2 - Finance and Procurement Committee



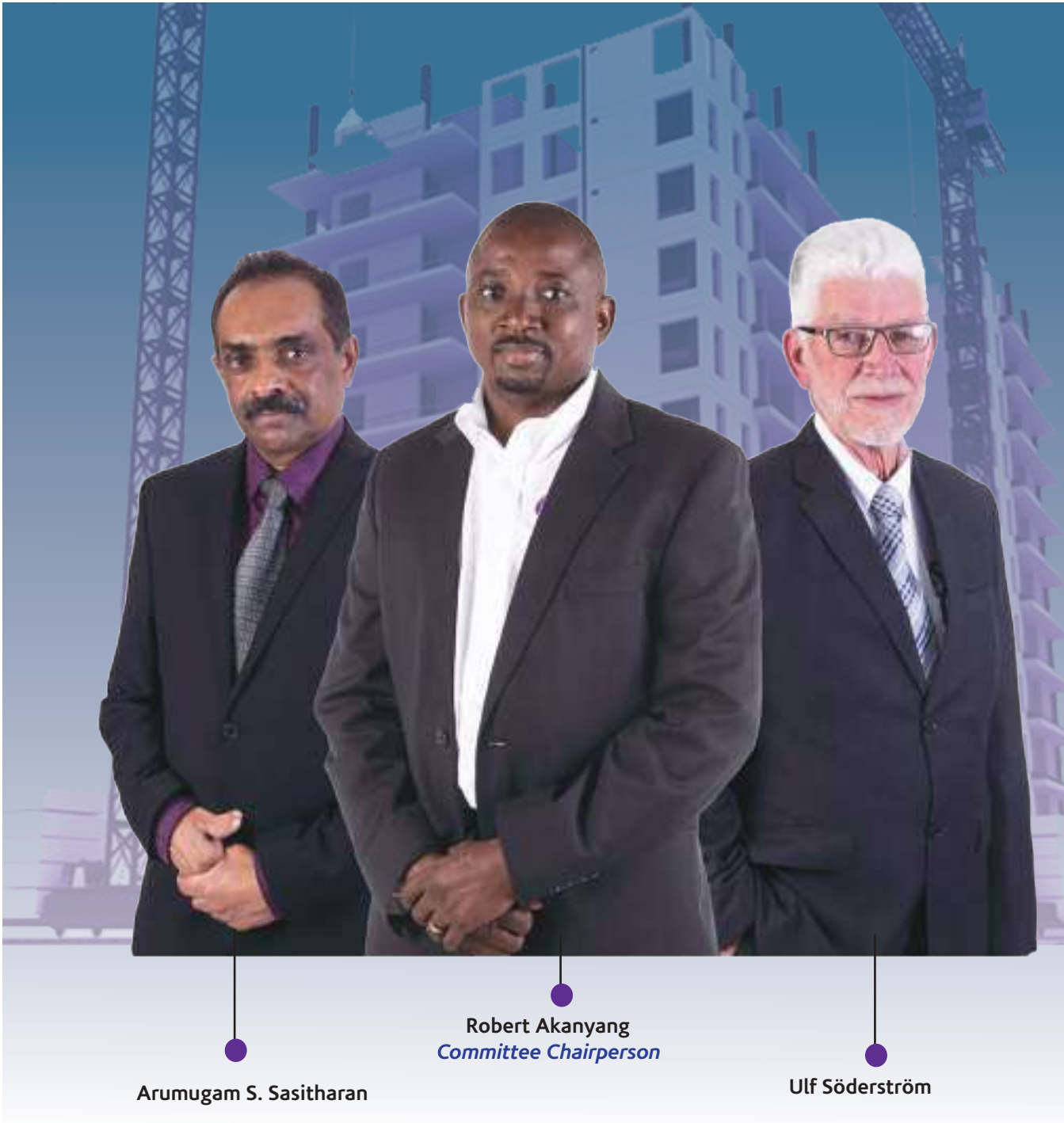
Koziba Palalani

Robert Akanyang

Ogaketse Mathware
*Committee Chairperson*Tobile Lemo
*External Member*Cliff Dithapo
External Member

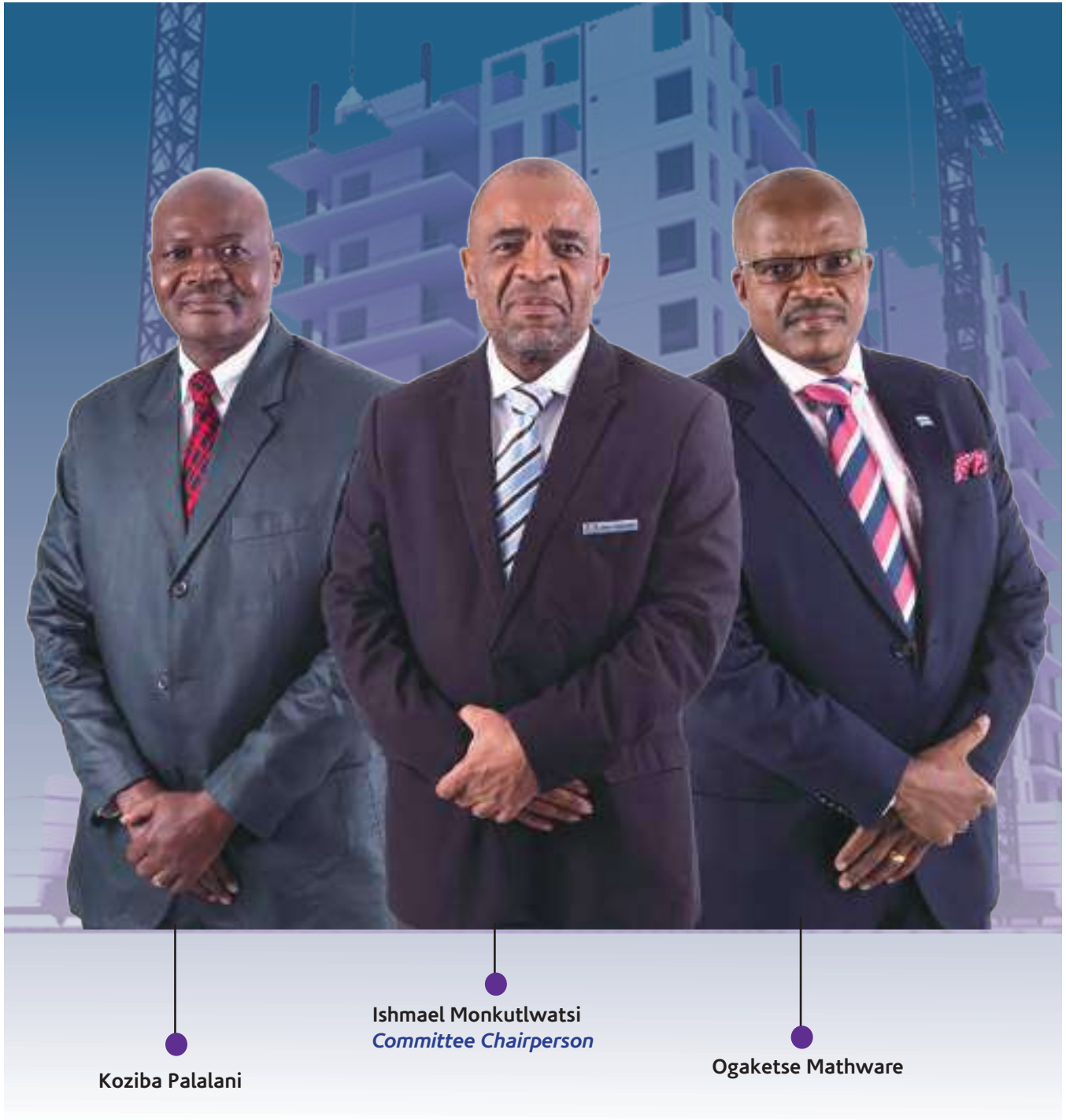
The role of the Finance and Procurement Committee is the management of the Council's financial resources, from budgeting, revenue generation, utilization of funds to accounting and financial reporting to the Council. The Committee also has the governance function of reviewing policies related to the Council's finances, appraisal of financial risk and review of audit results and implications. The Committee also adjudicates and approves procurement items of certain values.

3.3.3 - Research and Development Committee

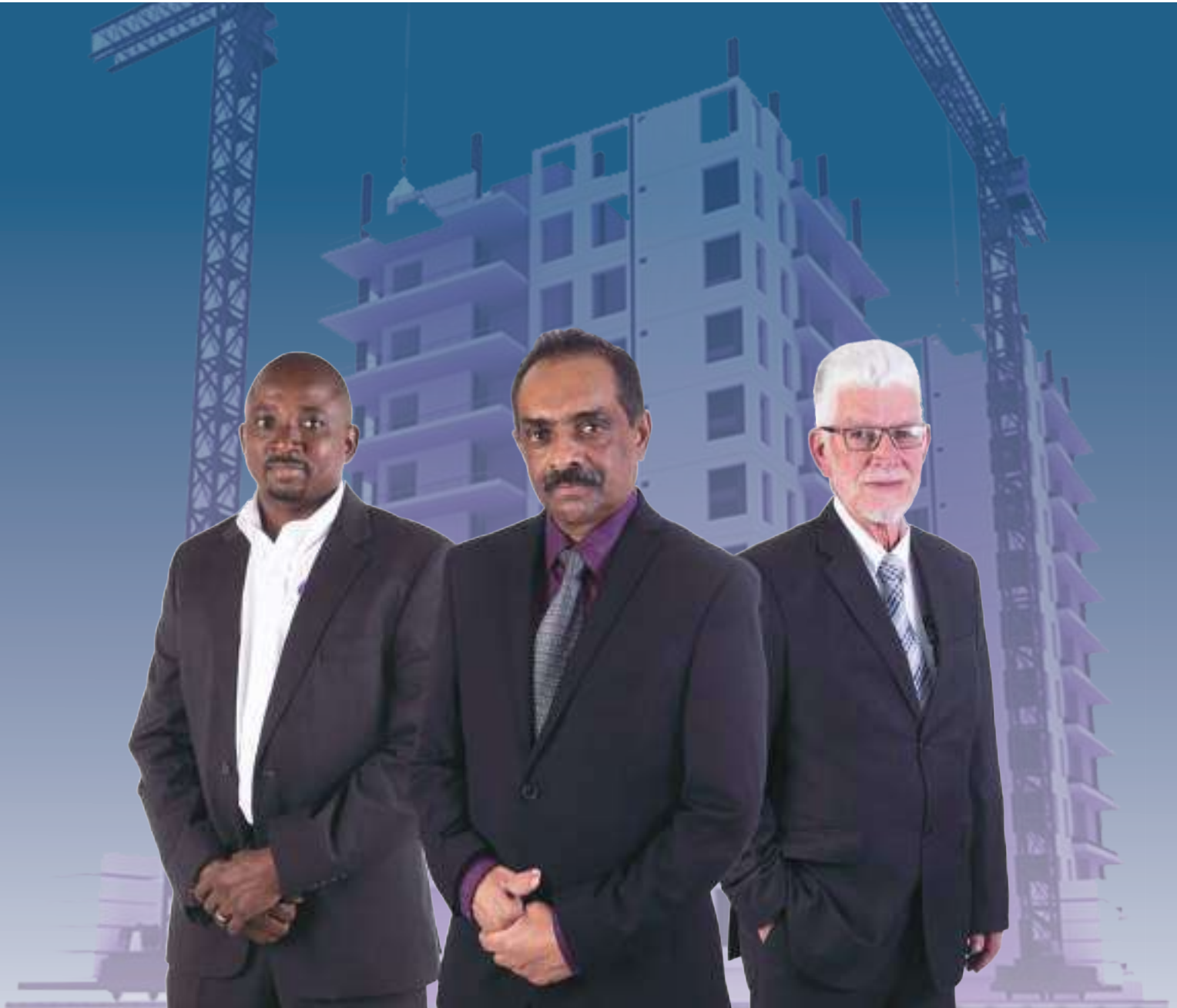


Section 7. (2) (d) of the Quantity Surveyors' Registration Act, 2013 stipulates that the Council must encourage research into matters relating to the profession of Quantity Surveying. The Research and Development Committee oversees the QSRC's statutory function of researching and developing the Quantity Surveying profession in Botswana in partnership with academic institutions and other organisations with related interests.

3.3.4 - Disciplinary Committee



The Quantity Surveyors' Registration Act, 2013, gives the Council disciplinary powers. The Disciplinary Committee, which convenes on an ad-hoc basis has the primary responsibility of considering the actions to be taken by the Council where it is concluded, after an inquiry, that offences committed by a Quantity Surveyor constitute improper or disgraceful conduct.

3.3.5 - Investigation Committee

Robert Akanyang

Arumugam S. Sasitharan
Committee Chairperson

Ulf Söderström

The Investigation Committee convenes as and when an allegation has been made regarding the conduct of a Quantity Surveyor. The Committee holds quasi-judicial proceedings where inquiries have been made about Quantity Surveyors who are considered to have acted in contravention of the dictates of the Quantity Surveyors' Registration Act, 2013 or the Code of Ethics and Professional Conduct Standards for Quantity Surveyors.



This report covers QSRC activities from April 2016 to March 2017. This coincided with the office setup as the Registrar had joined less than 2 months prior to March 2016.

Office partitioning, setting up of telecommunications and internet infrastructure, procurement of office vehicle, procurement of office equipment, etc. took most of the first quarter of the year.

QSRC also embarked on a branding exercise as part of its Marketing Strategy, this was to create visibility, and this started with office and vehicle branding. A website was also developed to increase the QSRC presence and to share information with our various stakeholders.

The QSRC office has a complete staff complement and has made considerable headway regarding the formulation of its internal administrative policies ranging from those relating to staff to those more closely linked to the QSRC's primary mandate of regulating the Quantity Surveying Profession and registering Quantity Surveyors in Botswana.

As directed by the Quantity Surveyors' Registration Act, 2013, the Council has worked progressively with the Registrar in the formulation of the Quantity Surveyors' Registration Regulations and the Code of Ethics and Professional Conduct Standards for Quantity Surveyors in Botswana. The drafts of the two documents were submitted to the Ministry of Infrastructure and Housing Development in the third Quarter of 2016.

The two documents which play a crucial role in guiding the envisaged Registration of Quantity Surveyors had been submitted with the hope that the Registration process would begin in November 2016. The commencement of Registration has however been postponed as the Council awaits the final approval and gazetting of the Quantity Surveyors' Registration Regulations.

In order for the office to be functional, operational documents were developed and these include the office Policies and Procedures as listed below:

4.1 - The Council Charter

A Council Charter was formulated which sets out the functions, duties and responsibilities of the Council, as well

as the requirements for its composition and meetings procedures. The Charter is in line with good corporate governance as recommended in the Code of Corporate Governance Principles for Botswana. The Council Charter, the Policies, Code of Conduct, Regulations and Guidelines adopted by the Council from time to time, collectively comprise the Quantity Surveyors' Registration Council overall corporate governance framework.

The Council also attended a King III Corporate Governance training which assisted the Council to have an understanding on the requirements of corporate governance and emphasised the roles and responsibilities of the Council Members.

4.2 - Registration Regulations

Pursuant to Section 50 of the Quantity Surveyor's Registration Act, 2013, the Council drafted the Registration Regulations which gives details of the registration process which are not outlined in the Act. The Registration Regulations are to be gazetted prior to commencement of registration.

4.3 - Code of Ethics & Professional Conduct Standards for Quantity Surveyors

The Code of Ethics for Quantity Surveyors reflects the ethos and culture of the Quantity Surveying profession and the spirit of the law governing it. It identifies the key principles and values that should guide the day to day practice and emphasises the core values that are to be honoured.

The Code sets out the minimum standard of professional conduct and practice to be expected of Quantity Surveyors in the provision of services. It requires of them not only to recognize their responsibilities to their Clients but also their responsibilities to the public and fellow professionals.

Adherence to the Code demonstrates an ongoing commitment to ethical business practices as well as professional integrity, honesty and the provision of efficient and effective services. Quantity Surveyors shall subscribe to this Code and demonstrate a commitment to ensuring that public confidence in the profession is maintained at a high level.

The Code is binding on all Quantity Surveyors and contrary conduct is liable to reprimand, suspension or striking off the QSRC Register, thus leading to not being able to offer Quantity Surveying services.

4.4 - Registration Policy

The Registration Policy provides details of the registration process, which may not have been provided in the Registration Regulations; therefore, it also sets out what the Council should prescribe as per the Act. It also gives a list of competencies to be looked at as part of the APC.

A Quantity Surveyor shall not practice as a Quantity Surveyor in Botswana unless s/he is registered under the Act; nor can any person be calling themselves or using the title of "Quantity Surveyor" or execute Quantity Surveying work without being registered.

4.5 - Finance and Procurement Policy

This policy covers the delegation of authority in terms of Council expenditure. It outlines how the procurement is to be done, and who is supposed to approve what and at what limit. It basically reinforces some of the controls that are already in place e.g. The Chairman and/or Vice Chairman having to approve all payments captured on the online banking system. The finance part of it covers accruals, budgeting and audited financial statements as per the requirement of the Act.

4.6 - Performance Management and Training Policy

This Policy deals with how Performance management is going to be dealt with, it assists in identifying, measuring and developing the performance of employees. It also includes guidelines on Training and Development of employees; and provides the details and insights of how performance reviews should be handled.

The objectives of this policy are to:

- provide a framework for the systematic management of performance at various levels within the Council;
- define the principles that help to facilitate the creation of a conducive environment for productivity and the attainment of overall Council objectives;

- guide the process of training and developing employees to ensure that employees have the requisite skills and competencies for their roles in order to address any deficiencies in current jobs, address emerging needs/new work demands and to prepare for future work demands;
- ensure that employees are assisted in developing themselves in order to achieve the Council's objectives as well as their career aspirations.

4.7 - Accreditation of Academic Institutions

The Council engaged a retired QS Professor, Prof. Rob Pearl to assist the Council with the following:

- Accreditation Policy Framework

This Policy will assist the Council in accreditation of Academic Institutions which offer Quantity Surveying related courses; including the accreditation of the courses to ensure that they meet international standards.

- Development of Quantity Surveying Standards for Botswana

Currently there are no Quantity Surveying standards in Botswana, therefore, Botswana relies on other countries, e.g. South Africa, for use of their standards. The QSRC would like in future to have developed standards for Botswana.

- Development of APC documentation

The Council should be in a position to assess professional competence for all applicants, hence the development of this documentation to assist the Council with that.

- Development of a CPD Policy.

Continuous Professional Development is a must for all registered Quantity Surveyors to keep abreast with the latest developments in the QS profession and to acquire other competencies. The CPD Policy will assist in identifying what constitutes continuous development; how CPD is monitored, etc.

Prof. Rob Pearl has also assisted other Quantity Surveying regulatory bodies to draft similar documentation.

4.8 - Stakeholder Engagement

The QSRC held its first Stakeholder Engagement session in Gaborone which was well attended. About 140 people attended the session including the media. The coverage was good with 3 newspapers covering the event. The main purpose of the event was to introduce the QSRC to the public and to share with the QS fraternity the requirements for registration; what is expected of the Qs with regard to the Code of Ethics and Professional Conduct Standards for Quantity Surveyors.

The second stakeholder engagement session is scheduled for the next financial year. The QSRC will keep engaging its stakeholders on latest developments; through various platforms; and keep a regularly updated website for information.

The QSRC continues to engage with the public and construction industry stakeholders, the availability of the Registrar and Staff in the office has proved beneficial in addressing the varied concerns of stakeholders such as changes that the registration process will bring for the Construction Industry. The QSRC's website has also been a useful tool for keeping the public informed of administrative developments and progress towards registration. In the year 2017, the QSRC shall continue to engage its varied stakeholders in meaningful and effective ways so as to ensure that all industry participants are well aware of where the QSRC stands and also of how the QSRC is fairing with regard to its mandate of regulating the Quantity Surveying profession.

The QSRC is also active on Social Media through its Facebook page; and it currently has approximately 150 members.

4.9 - Fee Tariffs for Quantity Surveying Services

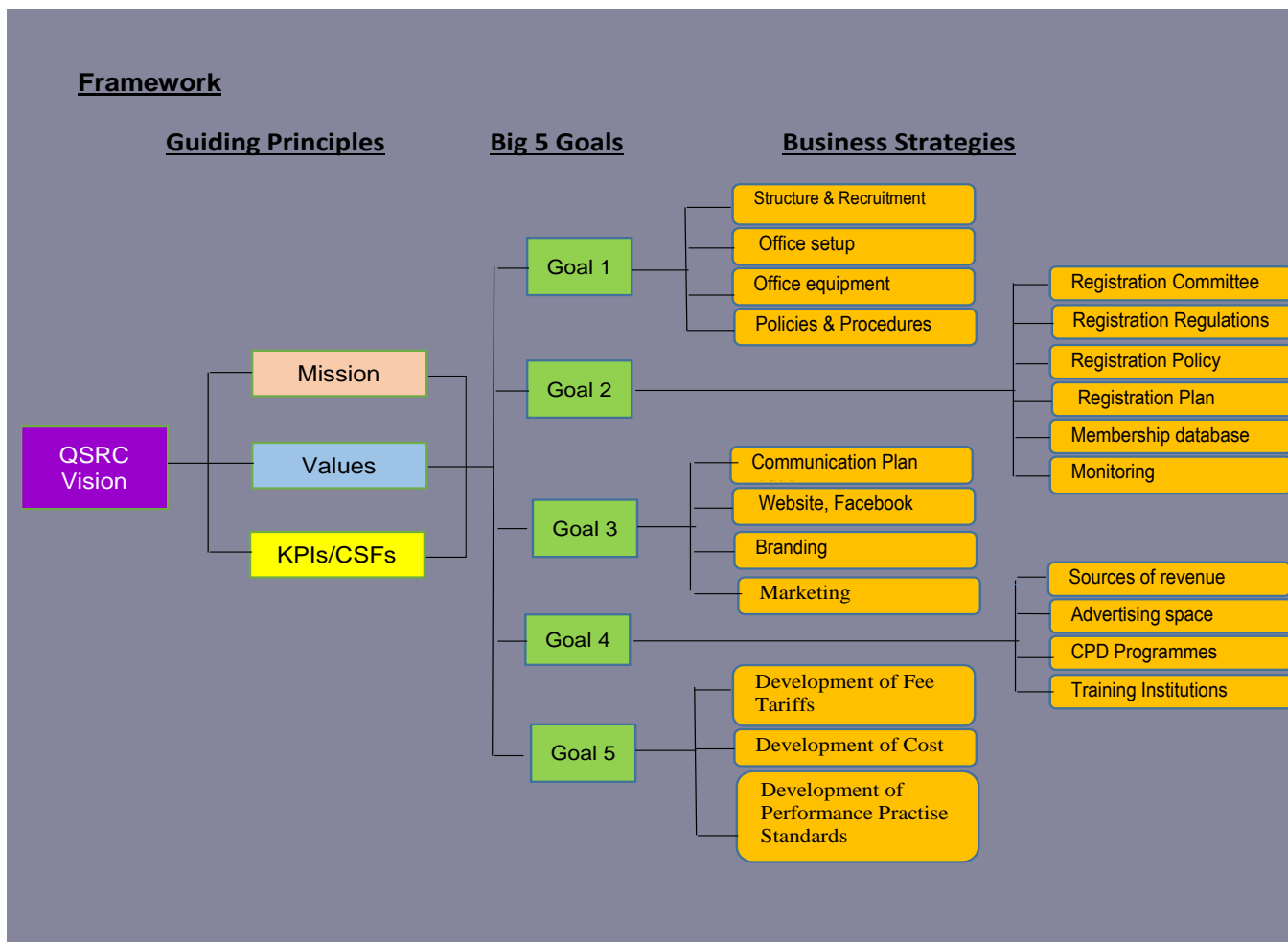
Also as part of its advisory objective, the QSRC has developed fee tariffs for Quantity Surveying services in Botswana; this will be reviewed annually to take into account inflation and CPI. In the past, the South African fee scale was used. The fee tariffs shall give guidance on QS professional fees in Botswana. The fee tariffs have been published on the QSRC website.

4.10 - Strategic Plan (2016-2019)

The QSRC developed a 3-year Strategic Plan whose main purpose was to establish the Council and to ensure that a Plan is developed to fulfill the Council's core mandate of registration and regulation of Quantity Surveyors in Botswana. The Strategic Plan also sets priorities, focuses energy and resources, strengthens operations, ensures that employees and other stakeholders are working toward common goals and intended outcomes. This has assisted the QSRC by providing a sense of direction and outlining measurable goals.

The QSRC started with developing a Strategic Planning Framework to guide this whole process. The guiding principles in this process were the QSRC's Vision, Mission and Values including the Key Performance Indicators (KPIs) or the Critical Success Factors (CSFs).

The Strategic planning framework also outlines the Business strategies under each focus area. Some of these have been completed as already mentioned in this document.



Goal**1**

Establish the Council Office

Goal**2**Regulation: Capacity Building
& Development of Competency
Standards**Goal****3**

Stakeholder Relations

Goal**4**Sustainability: to be self-reliant,
cost-efficient, etc.**Goal****5**

Advisory Role to Stakeholders

These 5 elements are the major drivers and will determine the success of the QSRC. They are detailed in the Strategic Plan and will guide to QSRC going forward to deliver its mandate. The first year of the strategic plan was focused on establishing the QSRC and making sure that the office is up and running, and fully complemented with the right level of staff. It also focused on developing the relevant Policies and Procedures to guide the Council; as already stated above. We are now in the second year of the Strategy Plan and updates will be given annually on the progress made and how we fair against the set objectives. The detailed overall performance against these Strategic Focus Areas will be given at the end of the Strategic Plan in 2019.

4.11 - Conclusion

The Quantity Surveyors' Registration Council (QSRC) has made commendable progress regarding the establishment of the Council, its office, its staffing and the formulation of administrative frameworks; Governance policies have been largely completed; hence the QSRC is ready to commence registration which is its core mandate. The QSRC is hopeful that the Registration Regulations will be published by the Attorney General's Chambers for the registration process to commence in the next financial year.

The image is a cover page for financial statements. It features a background of a modern glass skyscraper with a grid pattern, viewed from a low angle. In the foreground, there are several stacks of gold coins on a light-colored surface. A large, semi-transparent purple circle is overlaid on the right side of the image, containing the text. The text is centered within the circle and reads: "Annual Financial Statements For the year ended 31 March 2017".

Annual Financial Statements
For the year ended
31 March 2017

<i>Country of incorporation and domicile</i>	Botswana
<i>Nature of business and principal activities</i>	Registration, regulating and monitoring the activities of the quantity surveyors in Botswana.
<i>Council Members</i>	Gontse Kgosiemang Koziba Palalani Robert Akanyang Ishmael Monkutlwatsi Puma Mathware Ulf Söderström Arumugam Subramaniam Sasitharan
<i>Registered office</i>	Lasco House Plot 39, Unit 2 Gaborone International Commerce Park
<i>Business address</i>	Plot 39, Unit 2 GICP Gaborone
<i>Postal address</i>	P O Box 53778 Gaborone
<i>Bankers</i>	First National Bank of Botswana
<i>Auditors</i>	BDO Certified Auditors
<i>Secretary</i>	Kedibonye Proctor



Council Members' Responsibilities and Approval	23
Council Members' Report	24
Statement of Financial Position	28
Statement of Profit or Loss and Other Comprehensive Income	
Statement of Changes in Funds	28
Statement of Cash Flows	29
Accounting Policies	30 - 35
Notes to the Annual Financial Statements	36 - 41
Detailed Income Statement	42

The members are required in terms of the Quantity Surveyors' Registration Act, 2013 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Council 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 International Financial Reporting Standards. The external Auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of members 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 Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members have reviewed the Council's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 4 to 26, which have been prepared on the going concern basis, were approved by the Council members on 26 July 2017 and were signed on its behalf by:



Gontse Kgosiemang
Chairperson



Kedibonye Proctor
Registrar/Secretary

The members have pleasure in submitting their report on the annual financial statements of Quantity Surveyors' Registration Council for the year ended 31 March 2017.

1. Nature of business

Quantity Surveyors' Registration Council was incorporated in Botswana and is engaged in registration, regulating and monitoring the activities of the Quantity Surveyors' Profession in Botswana. The Council operates in Botswana.

There have been no material changes to the nature of the Council's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Quantity Surveyors' Registration Act, 2013. 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 Council are set out in these annual financial statements

During the year ended March 31st, 2017, the Council had

however made some financial commitments which had not been paid as at the end of the year. The development of the QSRC's Registration Database which will be the repository of all information submitted by Quantity Surveyors who apply for registration with the Council had commenced. The full cost of the database is P83 720. As this commitment was made during the year, the full amount is considered as a cost related to the 2016-2017 financial year.

The Council had also budgeted P300 000.00 for the development of a Building Cost Indices Database which shall assist Construction Industry participants with the provision of building cost rates and indices. Submissions have been received from numerous service providers for the development of the database and the procurement process is in its final stage. The cost of this project shall now be considered as a 2017-2018 financial year item despite having initially been budgeted for in the 2016-2017 financial year.

Net deficit of the Council was P23 503 (2016: P1 958 127 surplus), after taxation of P Nil (2016: P Nil). The 2016 surplus was part of the 2016-2017 approved revised budget. The deficit as shown in the 2016-2017 financial statements is a deficit against the subvention received during the period April 2016 – March 2017.

3. Members

The members in office at the date of this report are as follows:

Members	Nationality	Designation
Gontse Kgosiemang	Motswana	Chairperson
Koziba Palalani	Motswana	Vice Chairperson
Kedibonye Proctor	Motswana	Registrar/Secretary
Robert Akanyang	Motswana	Member
Ishmael Monkutlwatsi	Motswana	Member
Puma Mathware	Motswana	Member
Ulf Söderström	Motswana	Member
Arumugam Subramaniam Sasitharan	Sri Lankan	Member

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Council or in the policy relating to their use.

5. Events after the reporting period

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

6. Going concern

The members believe that the Council has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The members have satisfied themselves that the Council is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the Council. The members are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Council.

7. Auditors

BDO will continue in office as Auditors for the Council in accordance with the Council Act, 2013.

8. Secretary

The Council secretary is Kedibonye Proctor of:

Postal address

PO Box 53778

Gaborone

Business address

Plot 39, Unit 2

GICP

Gaborone

To Members of Quantity Surveyors' Registration Council

We have audited the annual financial statements of Quantity Surveyors' Registration Council, which comprise the statement of financial position as at 31 March 2017, the statement of comprehensive income, the statement of changes in equity and statement of cashflows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Council members' report set out on pages 8 to 24.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Quantity Surveyors' Registration Council as at 31 March 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Council and have fulfilled our other ethical responsibilities in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council Members' Responsibility for the Annual Financial Statements

The Council's members are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting

estimates that are reasonable in the circumstances.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 ISAs 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of the Council members' 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 Council'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 annual 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 Council to cease to continue as a going concern.

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

We communicate with the members 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.

Supplementary Information

The supplementary information set out on page 25 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion.

BDO Gaborone



Certified Auditors

26 July 2017

Donovan Van Der Vyver (BICA Practising Certificate Number 20110183)

Gaborone

Figures in Pula	Notes	2017	2016
Assets			
Non-Current Assets			
Equipment	3	561 169	189 979
Current Assets			
Trade and other receivables	4	71 148	15 558
Cash and cash equivalents	5	2 516 466	2 828 764
		2 587 614	2 844 322
Total Assets		3 148 783	3 034 301
Equity and Liabilities			
Equity			
Accumulated surplus		2 934 564	2 958 070
Liabilities			
Current Liabilities			
Trade and other payables	6	214 219	76 231
Total Equity and Liabilities		3 148 783	3 034 301

Statement of Profit or loss and other Comprehensive Income

Figures in Pula		2017	2016
	Notes	P	P
Revenue/Grant	7	2 499 800	2 721 500
Operating expenses		(2 523 306)	(763 373)
Operating surplus	8	(23 506)	1 958 127
(Deficit)/Surplus for the year		(23 506)	1 958 127
Other comprehensive income		-	-
Total comprehensive (Deficit)/surplus for the year		(23 506)	1 958 127

Statement Of Changes In Funds

Figures in Pula	Accumulated surplus	Total funds
Balance at 1 July 2013	999 943	999 943
Deficit for the year	1 958 127	1 958 127
Other comprehensive income	-	-
Total comprehensive income for the year	1 958 127	1 958 127
Balance at 1 April 2016	2 958 070	2 958 070
Surplus for the year	(23 506)	(23 506)
Other comprehensive income	-	-
Total comprehensive Loss for the year	(23 506)	(23 506)
Balance at 31 March 2017	2 934 564	2 934 564

Statement Of Cash Flows

Figures in Pula	Notes	2017	2016
Cash flows from operating activities			
Cash generated from operations	10	162 814	2 022 842
Cash flows from investing activities			
Purchase of equipment	3	(475 112)	(194 021)
Total cash movement for the year		(312 298)	1 828 821
Cash at the beginning of the year		2 828 764	999 943
Total cash at end of the year	5	2 516 466	2 828 764

Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Quantity Surveyors' Registration Act, 2013. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Botswana Pulas.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade and other receivables

The Council assesses its Trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, interest rates and inflation.

Provisions

Provisions are raised when management determined an estimate based on the information available. No provisions were raised at year end (2016: P Nil).

1.2 Equipment

The cost of an item of equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Council; and the cost of the item can be measured reliably.

Equipment is initially measured at cost.

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of equipment have been

assessed as follows:

Item	Average useful life
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	10 years
Computer equipment	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments Classification

The Council classifies financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss - held for trading

- Financial assets at fair value through profit or loss - designated
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss held for trading
- Financial liabilities at fair value through profit or loss designated

- Financial liabilities measured at a mortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

1.3 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Council becomes a party to the contractual provisions of the instruments.

The Council classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method,

less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Council's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity. Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating

expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.5 Impairment of assets

The Council assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Council estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Council also:

tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period. tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

1.5 Impairment of assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other

than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

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 paid vacation leave 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.7 Provisions and contingencies

Provisions are recognised when:

- the Council has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall

not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.7 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.8 Government grants

Government grants are recognised when there is reasonable assurance that the Council will comply with

the conditions attaching to them; and the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.10 Borrowing costs

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

1.11 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pula, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pula by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Council has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

The effective date of the Council is for years beginning on or after 1 January 2016.

The company has adopted the amendment for the first time in the 2017 annual financial statements.

The impact of the amendment is not material.

Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements

The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its annual financial statements. It also provides amended guidance concerning the order of presentation of the notes in the annual financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

The effective date of the Council is for years beginning on or after 1 January 2016.

The company has adopted the amendment for the first time in the 2017 annual financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The Council has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Council's accounting periods beginning on or after 1 April 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 16 Leases	1 January 2019	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	1 January 2018	Unlikely there will be a material impact

IFRS 16 Leases

It is unlikely that these will have a material impact on the company's annual financial statements.

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Council's accounting periods beginning on or after 1 April 2017 or later periods but are not relevant to its operations:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
• IFRS 15 Revenue from Contracts with Customers	1 January 2018	Unlikely there will be a material impact

Figures in Pula	2017	2016
------------------------	-------------	-------------

Figures in Pula

2017

2016

Equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	288 962	(25 178)	263 784	-	-	-
Motor vehicles	194 021	(52 547)	141 474	194 021	(4 042)	189 979
Office equipment	82 652	(7 209)	75 443	-	-	-
Computer equipment	103 497	(23 029)	80 468	-	-	-
Total	669 132	(107 963)	561 169	194 021	(4 042)	189 979

Reconciliation of equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	288 963	(25 179)	263 784
Motor vehicles	189 979	-	(48 505)	141 474
Office equipment	-	82 652	(7 209)	75 443
Computer equipment	-	103 497	(23 029)	80 468
	189 979	475 112	(103 922)	561 169

Reconciliation of equipment - 2016

	Opening balance	Additions	Depreciation	Total
Motor vehicles	-	194 021	(4 042)	189 979

4. Trade and other receivables

Prepayments	61 148	5 558
Deposits	10 000	10 000
	71 148	15 558

<i>Fair value of trade and other receivables</i>	2017	2016
Trade and other receivables	71 148	15 558

The Council members consider the carrying amount of trade and other receivables to approximate their fair value.

Currencies

The carrying amount of trade and other receivables are denominated in the following currencies:

Pula	71 148	15 558
	2017	2016

5. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	6 418	6 206
Bank balances	2 510 048	2 822 558
	2 516 466	2 828 764

6. Trade and other payables

Other payables	88 742	15 029
Accrued leave pay	25 318	7 500
Accrued PAYE	-	14 762
Accrued severance pay	67 159	4 500
Accrued audit fees	33 000	34 440
	214 219	76 231

<i>Fair value of trade and other payables</i>	2017	2016
Trade and other payables	214 220	76 231

The Council members consider the carrying amount of trade and other payables to approximate their fair value.

Currencies

The carrying amounts of trade and other payables are denominated in the following currencies:

Pula	214 220	76 231
------	---------	--------

7. Revenue

Grant received	2 499 8002	2 721 500
The amount included in revenue are from the following:		
Ministry of infrastructure and Housing Developments	2 499 800	2 706 500
Institute of Botswana Quantity Surveyors	-	15 000
	2 499 800	2 721 500

8. Operating surplus

Operating (deficit)/surplus for the year is stated after accounting for the following:

Operating lease charges

Premises

• Contractual amounts	127 029	40 000
Depreciation	103 922	4 042
Employee costs	938 466	102 429

9. Taxation

No provision has been made for 2017 tax as the Council has no taxable income.

10. Cash generated from operations

(Deficit)/surplus before taxation	(23 506)	1 958 127
Adjustments for:		
Depreciation	103 922	4 042
Changes in working capital: Trade and other receivables	(55 590)	(15 558)
Trade and other payables	137 988	76 231
	162 814	2 022 842

11. Risk management

Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Financial risk management

The Council's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The Council's risk to liquidity is a result of the funds available to cover future commitments. The Council manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2017

Trade and other payables	214 220
--------------------------	---------

At 31 March 2016

Trade and other payables	76 231
--------------------------	--------

Interest rate risk

As the Council has no significant interest-bearing assets, the Council's income and operating cash flows are substantially independent of changes in market interest rates.

11. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Council only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Trade and other receivables	71 148	15 558
Cash and cash equivalents	2 516 466	2 828 764

12. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Loans and receivables	Total
Trade and other receivables	71 148	71 148
Cash and cash equivalents	2 516 466	2 516 466
	2 587 614	2 587 614

2016

	Loans and receivables	Total
Trade and other receivables	15 558	15 558
Cash and cash equivalents	2 828 764	2 828 764
	2 844 322	2 844 322

13. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2017	Financial liabilities at amortised cost	Total
Trade and other payables	214 220	214 220

2016

	Financial liabilities at amortised cost	Total
Trade and other payables	76 231	76 231

Figures in Pula	2017	2016
Revenue		
Grant received	2 499 800	2 721 500
Operating expenses		
Accounting fees	(14 036)	(7 500)
Advertising	(267 722)	(138 589)
Auditors' remuneration	(33 000)	(34 440)
Bank charges	(6 628)	(2 235)
Cleaning	(28 623)	(2 400)
Computer expenses	(76 043)	(5 114)
Consulting fees	(96 738)	(11 201)
Depreciation	(103 922)	(4 042)
Employee costs	(938 466)	(102 429)
Entertainment	(3 216)	-
Insurance	(6 127)	(4 304)
Lease rentals on operating lease	(127 029)	(40 000)
Legal expenses	(85 568)	(3 427)
Meetings and workshops	(49 791)	-
Members sitting allowance	(389 700)	(302 600)
Office expenses	(33 539)	(12 337)
Petrol and oil	(2 688)	-
Postage	(1 775)	(1 545)
Printing and stationery	(48 237)	-
Repairs and maintenance	(25 099)	-
Security	(63 527)	(5 743)
Telephone and fax	(22 466)	(4 794)
Travel	(81 366)	(74 673)
Utilities	(18 000)	(6 000)
	-2 523 306	(763 373)
Surplus for the year	(23 506)	1 958 127

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



**Quantity
Surveyors'
Registration
Council**

We regulate for your success

PHYSICAL ADDRESS

Plot 39 , Unit 2, GICP

POSTAL ADDRESS

P.O. Box 53778

Kagiso Mall, Broadhurst

Gaborone, Botswana

Tel: (+267) 395 6170

Fax: (+267) 395 6178

Email: info@qsrc.org.bw

Web: www.qsrc.org.bw

