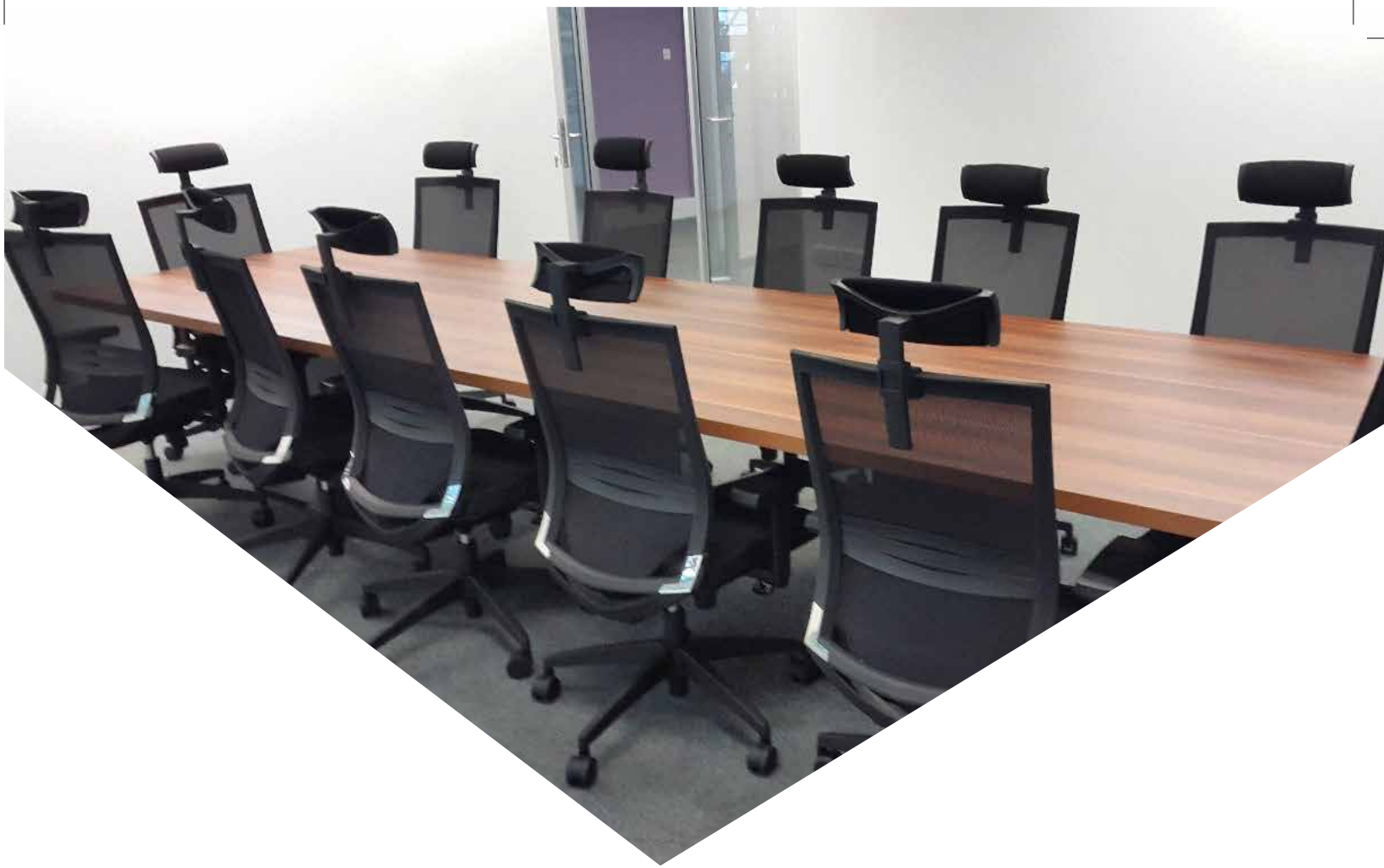




QUANTITY SURVEYORS'
REGISTRATION COUNCIL
ANNUAL REPORT **2016**

OUR IDENTITY





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CHAIRMAN'S STATEMENT



The Quantity Surveyors' Registration Council (QSRC) has had a busy time establishing its presence in the Botswana construction industry. This entailed acquiring operating premises, recruiting staff, defining the administrative framework, identifying operating standards, policies and procedures as well as engaging internal and external stakeholders.

“Much has been achieved, although not without challenges, as evidenced by the length of time it took to recruit the Registrar. The delay contributed to our failure to meet the original target date of commencement of registration. A lot of work remains to be done particularly in the area of standards but we believe that the ultimate aim of registering and regulating Quantity Surveyors' will be realized in 2016.

I am pleased to submit the Annual Report including Audited Financial Statements in compliance with Section 46 (1) of the Quantity Surveyors' Registration Council Act 2013”.

Gontse Kgosiemang

BSc (Hons), PrQS, FRICS, PMP

Chairman - QSRC

THE QUANTITY SURVEYORS' REGISTRATION COUNCIL

The Quantity Surveyors' Registration Act, 2013 ("the Act") was given Assent on 4th October 2013. It is "an Act to establish the Quantity Surveyors' Registration Council; to provide for the registration of Quantity Surveyors; to provide for the regulation of the practice of quantity surveying and for matters incidental thereto". The Act is part of a suite of laws regulating professions including Engineering & Architecture.

The QSRC Members were appointed on the 1st April 2014 and the Council was inaugurated by Hon. John K. Swartz then Minister of Infrastructure, Science and Technology on 10th July 2014.

The inaugural QSRC consisted of the following Members

Name	Term	Start	Expiry 1	Membership	Role
Chike Oranye	6months	01-04-14	30-09-14	Elected	Member
Martin Mogomela	1 year	01-04-14	31-03-15	Elected	Member
Gontse Kgosiemang	2 Years	01-04-14	31-03-16	Elected	Chairman
Robert Akanyang	2 Years	01-04-14	31-03-16	Elected Appointment	Interim Secretary
Koziba Palalani	3 Years	01-04-14	31-03-17	Appointed	Vice Chairman
Ulf Söderström	3 Years	01-04-14	31-03-17	Appointed	Member
Ishmael Monkutlwatsi	3 Years	01-04-14	31-03-17	Appointed	Member

Mr. Chike Oranye was subsequently replaced by Mr. Arumugam Subramaniam Sasitharan (2 year term) while Mr. Martin Mogomela was replaced by Mr. Ogaketse T. Mathware (3 year term). Messrs. Gontse Kgosiemang and Robert Akanyang were re-appointed (3 year terms).

OVERVIEW OF QUANTITY SURVEYING

According to the UK Standard Occupational Classification 2010 "Quantity Surveyors advise on financial and contractual matters relating to, and prepare bills of quantities for, construction projects and provide other support functions concerning the financing and materials required for building projects."

The profession is classified under 7490 Other Professional, Scientific and Technical Activities, United Nations International Standard Industrial Classification of All Economic Activities (ISIC) Rev 4.

Quantity Surveying is included in the ongoing SADC Trade in Services Negotiation, due to its recognition as part of the Construction Services Economic Sector under Article 1 of the WTO.

In Botswana Quantity Surveying is registered under Code 302 of the Public Procurement and Asset Disposal Board. Its practice is mostly associated with building work, although there is scope for expansion of the profession to include mining, civil, electrical and mechanical engineering both for works and services.

A preliminary survey carried out in 2015 indicated that there are currently around 167 individuals involved in the practice of quantity surveying in Botswana.

COUNCIL MANDATE

The Quantity Surveyors' Registration Act, 2013 outlines the functions of the Council, including the regulation of activities and conduct of Quantity Surveyors. Section 7 (2) states that the Council shall;

- a) Protect the interests of members of the public in any dealings which such members of the public may have with Quantity Surveyors
- b) Maintain the integrity of the profession of Quantity Surveying
- c) Ensure compliance with set ethics and standards within the profession of Quantity Surveying
- d) Encourage research by Quantity Surveyors into matters relating to the profession of Quantity Surveying
- e) Finance, print or circulate publications relating to the profession of Quantity Surveying
- f) Make recommendations to the Minister for the further development of the profession of Quantity Surveying
- g) Authorise the Registrar to appoint, on behalf of the Council, such other officers as are reasonably necessary at such terms and conditions determined by the Council; and
- h) Generally do all such things as, in the opinion of the Council, are necessary for the better performance of the functions of the Council.

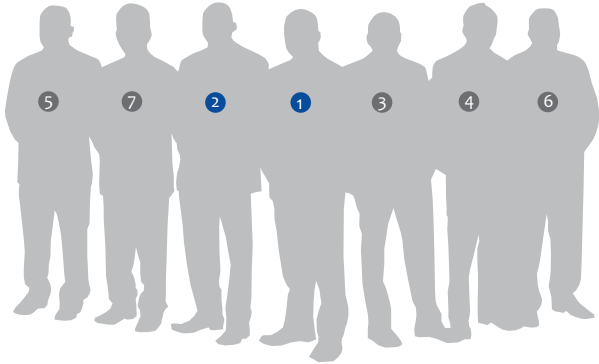
COUNCIL ACHIEVEMENTS TO DATE

Since March 2015 the Council has been supported by the Ministry of Infrastructure Science & Technology (MIST) with subvention funding. The funds have been used to procure a rented office at Commerce Park and to recruit the Registrar and her staff.

Since taking office, the Registrar has been busy drawing up policies that govern the organization as well as preparing for registration of Quantity Surveyors. She is assisted in this task by Committees of the Council which have been set up to deal with operational mandates.

The Council is about to conclude adoption of Regulations, following which the initial draft would be submitted to the Honourable Minister, MIST for finalization. The intention is to commence registration of Quantity Surveyors concurrently with approval of the draft Regulations.

QSRC COUNCIL MEMBERS



- 1. Gontse Kgosiemang -Chairman
- 2. Koziba Palalani -Vice chairman
- 3. Robert Akanyang -Member
- 4. Arumugam Subramaniam Sasitharan -Member
- 5. Ishmael Monkutlwatsi -Member
- 6. Ogaketse T. Mathware -Member
- 7. Ulf Söderström -Member

REGISTRAR'S REPORT

This report gives an overview of activities and progress made on events that took place during the 2015/2016 financial year. During the period under review, the office became operational after the appointment of the Founding Registrar in mid-February 2016, therefore, the staff compliment was made up of only one person.

The Founding Registrar was first tasked with setting up the office; which included procurement of office furniture, office equipment including computers, etc. Recruitment of staff also followed, after development of Job Descriptions; and development of QSRC Policies and Procedures.

The overview of the Strategic Plan (2016 – 2019) was formulated; though it is still work in progress, it can be summarised as shown below:

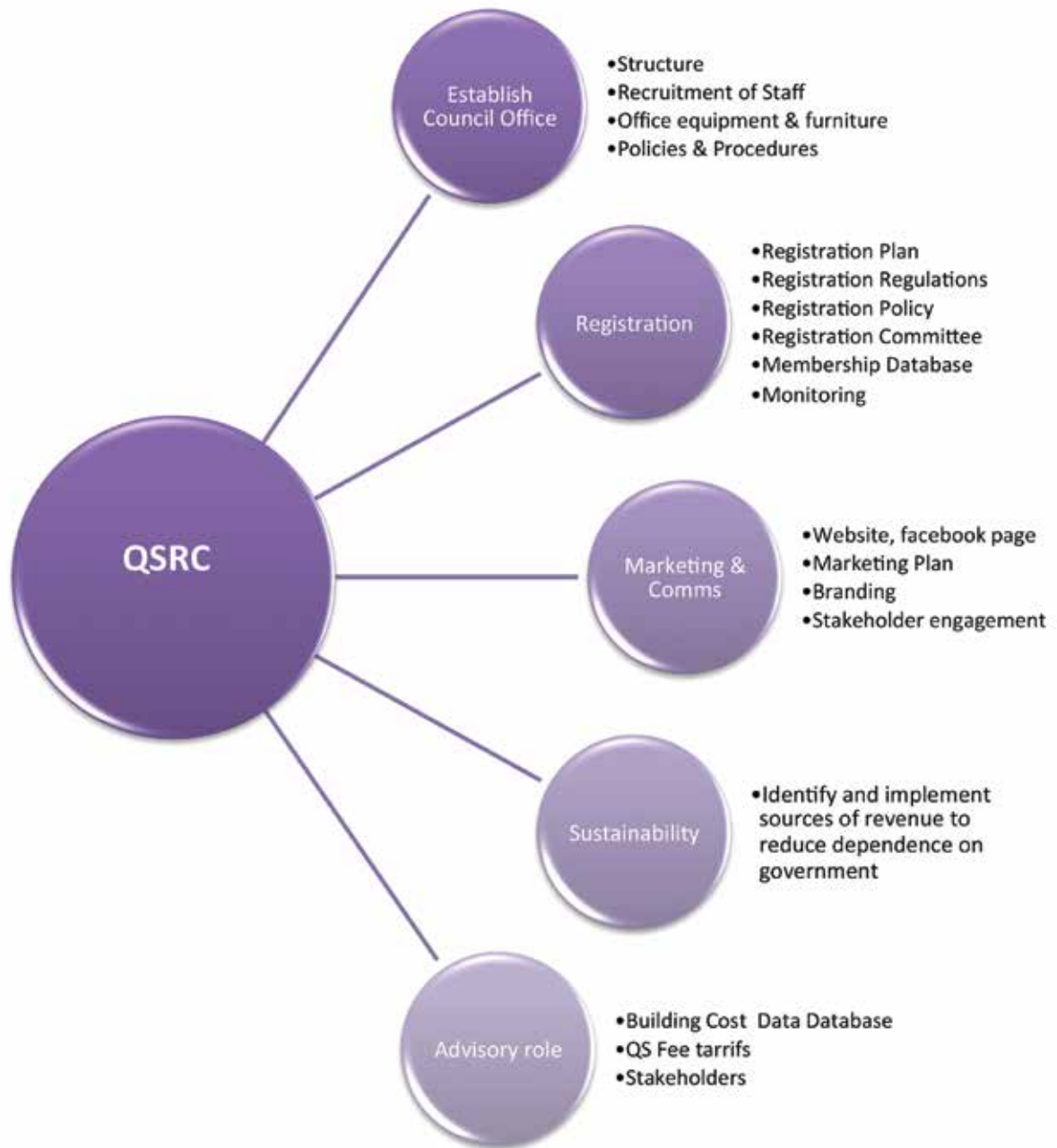
STRATEGIC FOCUS AREAS

The Strategic Focus areas for the QSRC have been identified as follows:

- Establish Council Office
- Registration
- Marketing & Communications
- Sustainability
- Advisory role to Government

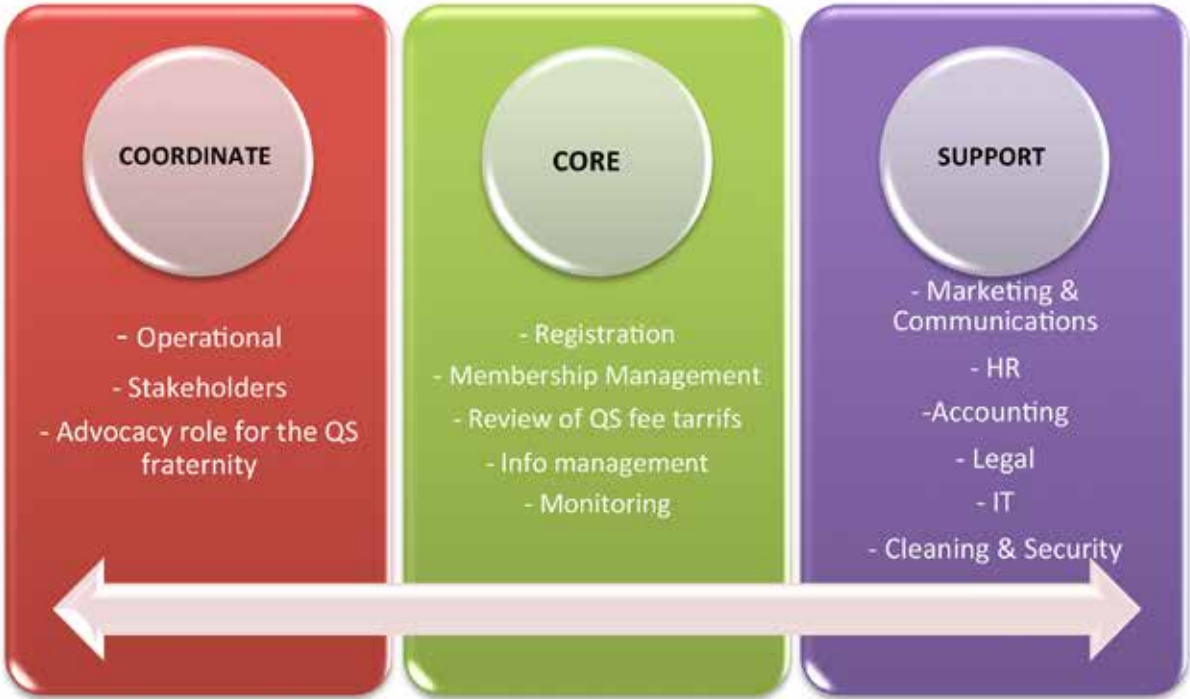
These 5 elements are the major drivers and will determine the success of the QSRC. These are detailed in the Business Plan document. This will be the document that will guide QSRC going forward to deliver its mandate.

The major drivers of the QSRC can be summarised as shown below:



This gives an overview of the Council and the activities that need to be done for the success of the Council.

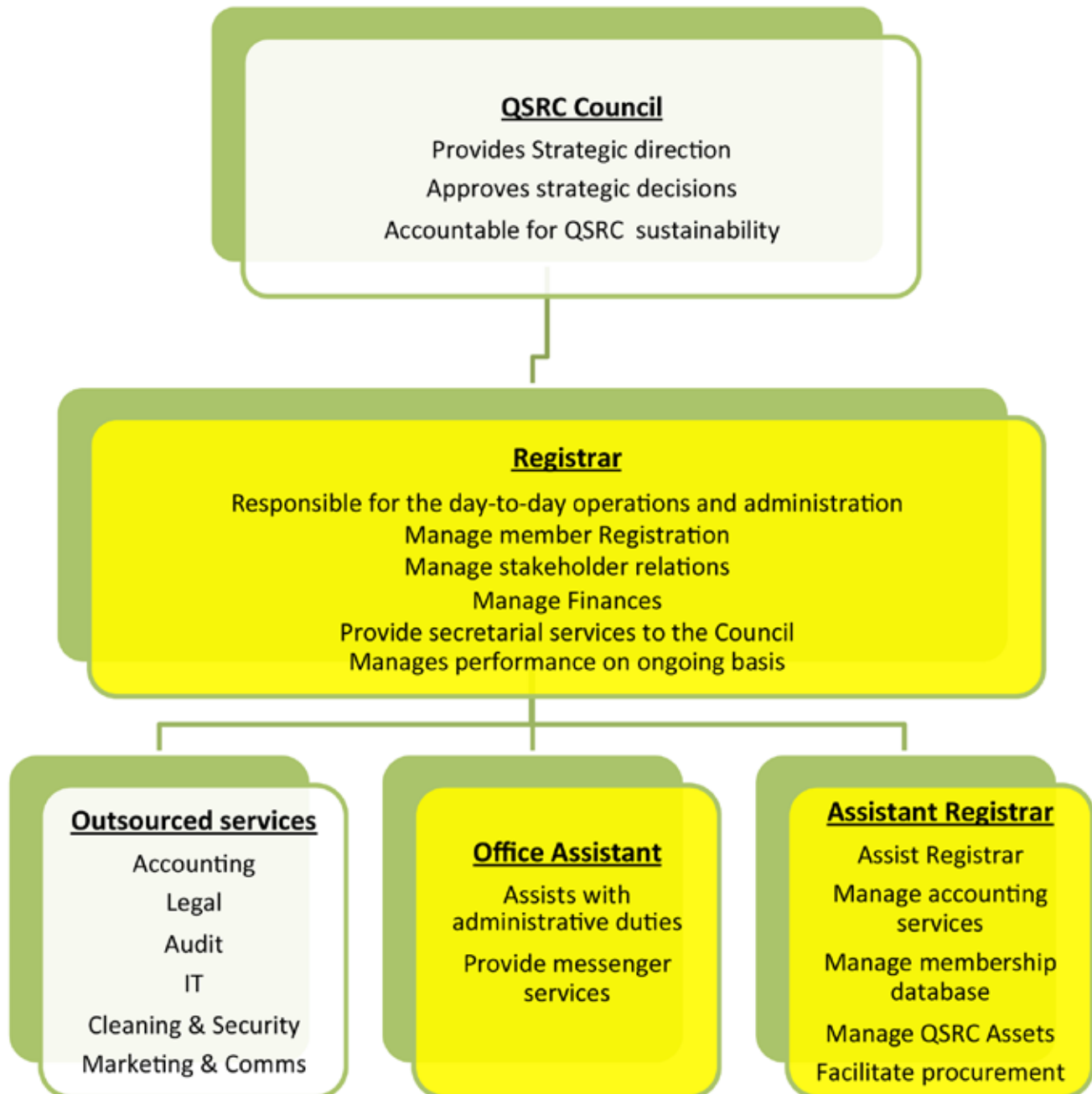
The QSRC functions can further be summarised as shown below to show the Core activities of the Council, the Coordination role the Council plays and the Support activities.



All these activities give an integrated perspective and an overarching view of the Council. In order for the Council to succeed in its mandate, all these have to happen simultaneously as they are inter-dependent.

STRUCTURE OVERVIEW

The structure was developed and proposed, with the summarised roles and responsibilities shown below:



ANALYSIS OF QUANTITY SURVEYORS IN BOTSWANA

A research was done to appreciate the demographics of Quantity Surveyors in Botswana; and to aid effective communication, consultation and planning. Therefore an expression of interest for registration was advertised in the local newspapers, a total of 167 applications were received; and the information was analysed as follows:

Gender Distribution



Figure 1. Distribution of entrants by gender

Figure 1. above indicates the gender distribution of the individuals who responded to the Call for expression of interest for registration (the entrants). The figure shows that out of the 167 entrants received, 134 were male whilst 33 were female, indicating a substantial skewing towards males in the profession.

Employment Sector

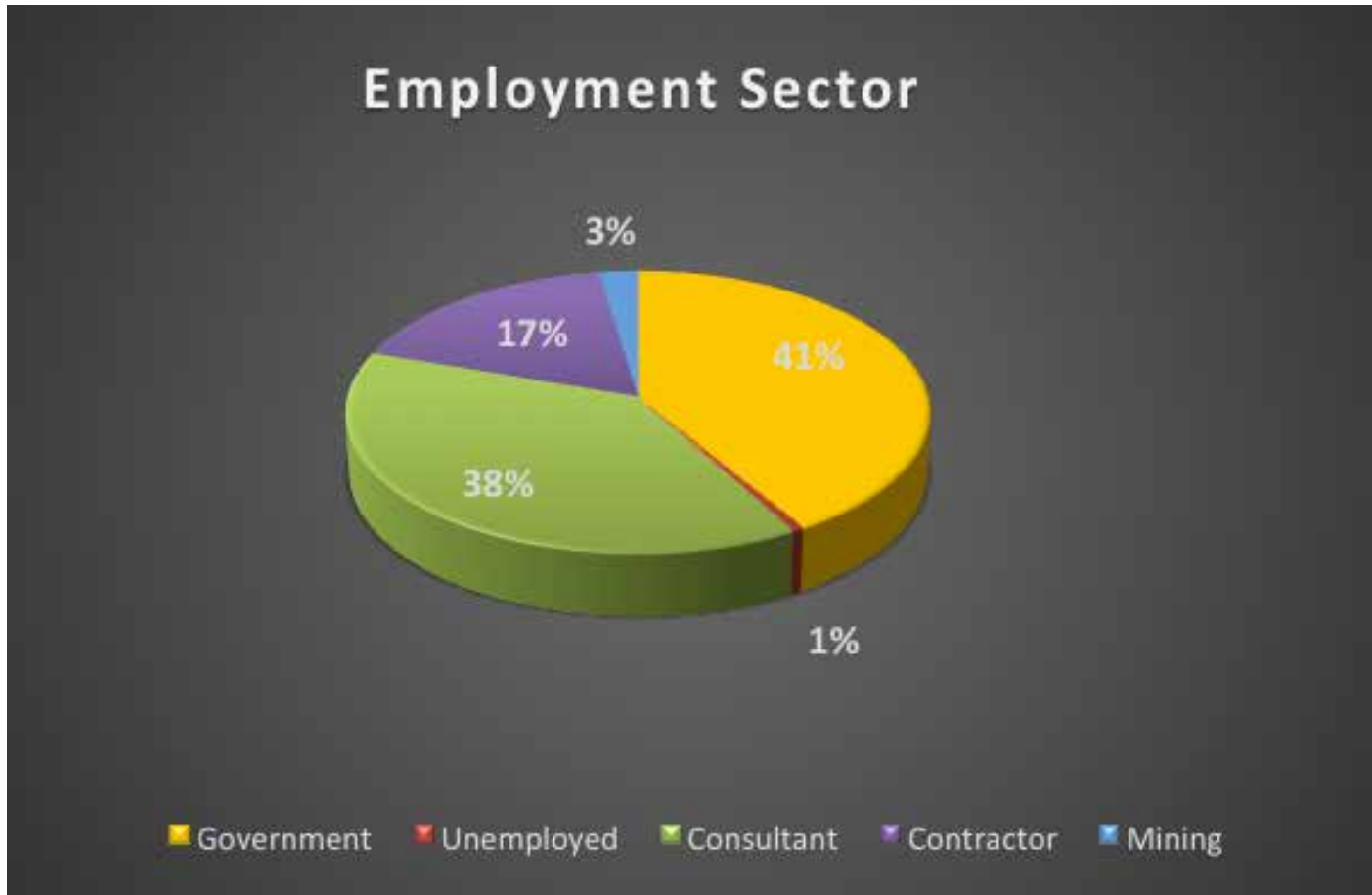


Figure 2. Categorization by employment sector

Figure 2 shows the proportions of entrants that are employed in the private and public sector (government agencies and parastatals). A significant proportion of entrants 58% are employed in the private sector with Quantity Surveying firms and construction companies, 41% of the entrants were employed by the government with the Department of Building & Engineering Services (DBES) employing 21 and the parastatal Botswana Housing Corporation (BHC) employing 6 individuals. The entrants employed by the Mining sector only showed Debswana and Tati Nickel. One of the entrants was unemployed.

Graduation Count

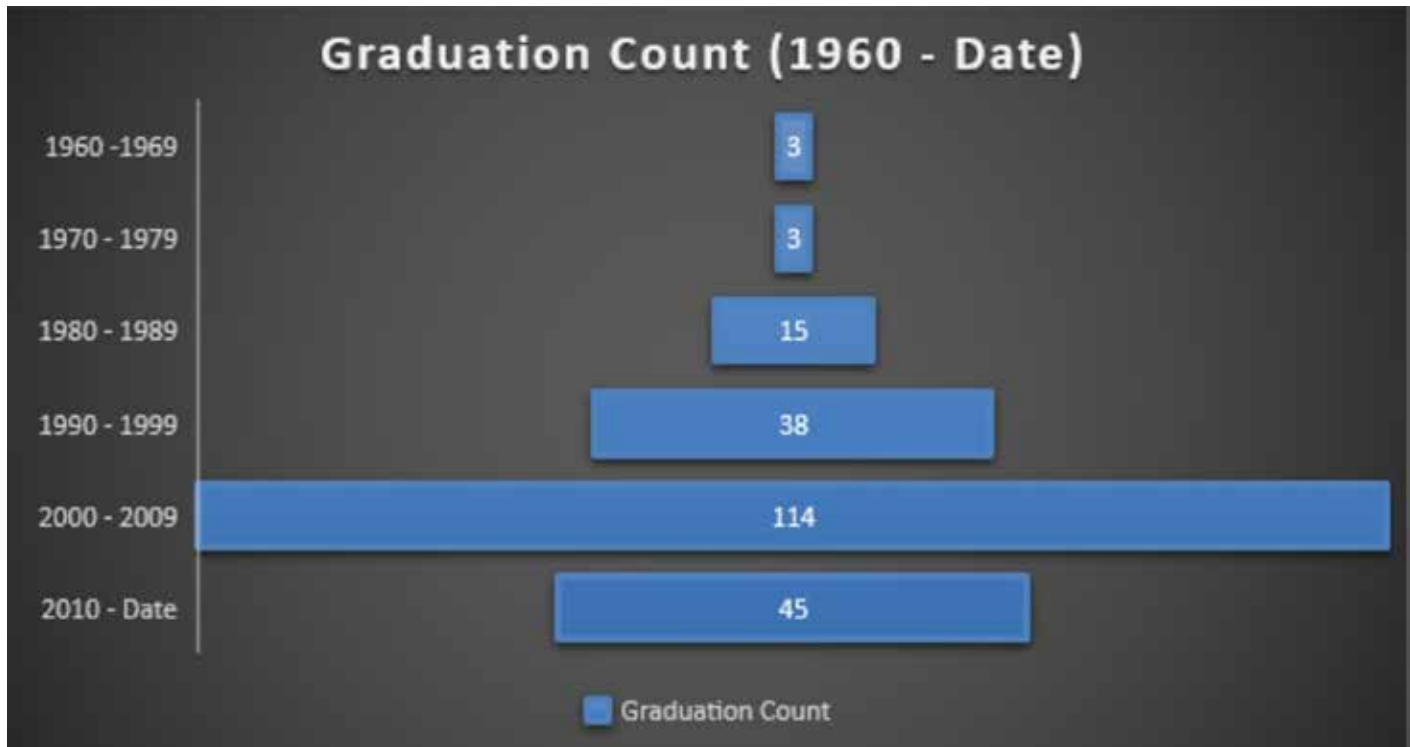


Figure 3. Graduates per decade

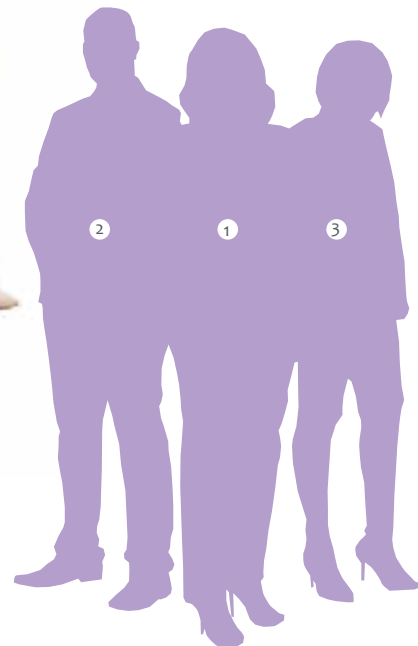
Figure 3. shows the gradual growth in the number of individuals graduating with Quantity Surveying related tertiary qualifications. These qualifications ranged from Certificate level to Masters' Degrees. The pyramid takes consideration of the fact that some of the entrants hold multiple qualifications for instance, an individual may have attained a Bachelor's Degree in 1999 and a Master's Degree in 2005.

The increase in number over the years of Quantity Surveying graduates is evidence of the need for the QSRC to commence registration and ensure effective regulation of the profession and the industry at large. The reduction from 2010 to date shows the need to start promoting the QS profession and educating the public about it.

We would like to assure the Quantity Surveying fraternity and our stakeholders that we will endeavour to continue to carry out our primary mandate to the best of our ability as well as progress towards the commencement of registration of Quantity Surveyors before end of 2016.

Kedibonye Proctor - Registrar

QSRC STAFF MEMBERS



1. Kedibonye Proctor
2. Dumisani Ntini
3. Tshepo Kaise

Registrar
Assistant Registrar
Office Assistant



QUANTITY SURVEYORS'
REGISTRATION COUNCIL
Annual Financial Statement
for the year ended 31 March 2016

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

GENERAL INFORMATION

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

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

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

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Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Council Members' Responsibilities and Approval

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 2017 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 25, which have been prepared on the going concern basis, were approved by the Council members on 20 July 2016 and were signed on its behalf by:



Gontse Kgosiemang



Kedibonye Proctor

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Council Members' Report

The Council has pleasure in submitting its report on the annual financial statements of Quantity Surveyors' Registration Council for the year ended 31 March 2016.

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 Surveying 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.

Net surplus of the Council was P 1 958 127 (2015: P 999 943 surplus), after taxation of P Nil (2015: P (Nil)).

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
Robert Akanyang	Motswana	Member
Ishmael Monkutlwatsi	Motswana	Member
Ogaketse T. Mathware	Motswana	Member
Ulf Söderström	Motswana	Member
Arumugam Subramaniam	Sri Lankan	Member
Sasitharan		

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Council Members' Report

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 non-compliance 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

Postal address PO Box 53778
Gaborone

Business address Plot 39, Unit 2
GICP
Gaborone



Independent Auditors' Report

To the Members of Quantity Surveyors' Registration Council

We have audited the annual financial statements of Quantity Surveyors' Registration Council, as set out on pages 7 to 24, which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Members' Responsibility for the 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, and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 thereon.

BDO
Certified Auditors
Donovan Van Der Vyver (BICA Practising Certificate Number 20110183) Gaborone

Quantity Surveyors' Registration Council
Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Position as at 31 March 2016

Figures in Pula	Notes	31 March 2016	31 March 2015
Assets			
Non-Current Assets			
Plant and equipment	3	189 979	-
Current Assets			
Trade and other receivables	4	15 558	-
Cash and cash equivalents	5	2 828 764	999 943
		2 844 322	999 943
Total Assets		3 034 301	999 943
Equity and Liabilities			
Equity			
Accumulated surplus		2 958 070	999 943
Liabilities			
Current Liabilities			
Trade and other payables	6	76 231	-
Total Equity and Liabilities		3 034 301	999 943

Quantity Surveyors' Registration Council
Annual Financial Statements for the year ended 31 March 2016

Statement of Comprehensive Income

Figures in Pula	Notes	12 months ended 31 March 2016 P	1 month ended 31 March 2015 P
Revenue	7	2 721 500	1 000 000
Operating expenses		(763 373)	(57)
Operating surplus	8	1 958 127	999 943
Surplus for the year		1 958 127	999 943
Other comprehensive income		-	-
Total comprehensive surplus for the year		1 958 127	999 943

Quantity Surveyors' Registration Council
Annual Financial Statements for the year ended 31 March 2016

Statement of Changes in Funds

Figures in Pula	Accumulated surplus	Total funds
Surplus for the year	999 943	999 943
Other comprehensive income	-	-
Total comprehensive income for the year	999 943	999 943
Balance at 1 April 2015	999 943	999 943
Surplus 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 31 March 2016	2 958 070	2 958 070

Quantity Surveyors' Registration Council
Annual Financial Statements for the year ended 31 March 2016

Statement of Cash Flows

Figures in Pula	Notes	12 months ended 31 March 2016	1 month ended 31 March 2015
Cash flows from operating activities			
Cash generated from operations	10	2 022 842	999 943
Cash flows from investing activities			
Purchase of plant and equipment	3	(194 021)	-
Total cash movement for the year		1 828 821	999 943
Cash at the beginning of the year		999 943	-
Total cash at end of the year	5	2 828 764	999 943

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

1. 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.

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

Provisions

Provisions are raised when management determined an estimate based on the information available. No provisions were raised at year end (2015: P Nil).

1.2 Plant and equipment

The cost of an item of plant and 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.

Plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of plant and 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 plant and 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.

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

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

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

Accounting Policies

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 amortised 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.

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.

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

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 and other receivables

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.

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

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.

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.

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Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

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 profit sharing and 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.

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

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

- 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.

Accounting Policies

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.

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Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

Figures in Pula	2016	2015
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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 13: Fair Value Measurement: Annual improvements project

The amendment clarifies that references to financial assets and financial liabilities in paragraphs 48–51 and 53–56 should be read as applying to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The company has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

Amendment to IAS 24: Related Party Disclosures: Annual improvements project

The definition of a related party has been amended to include an entity, or any member of a group of which it is a part, which provides key management personnel services to the reporting entity or to the parent of the reporting entity ("management entity"). Disclosure is required of payments made to the management entity for these services but not of payments made by the management entity to its directors or employees.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The Council has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

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Notes to the Annual Financial Statements

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 2016 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 9 Financial Instruments	1 January 2018	Unlikely there will be a material impact
IFRS 15 Revenue from Contracts with Customers	1 January 2017	Unlikely there will be a material impact
Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	1 January 2016	Unlikely there will be a material impact
Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	1 January 2016	Unlikely there will be a material impact

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Notes to the 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 2016 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	Unlikely there will be a material impact
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	Unlikely there will be a material impact
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	Unlikely there will be a material impact
Amendment to IAS 27: Equity Method in Separate Financial Statements	1 January 2016	Unlikely there will be a material impact
IFRS 14 Regulatory Deferral Accounts	1 January 2016	Unlikely there will be a material impact
Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption	1 January 2016	Unlikely there will be a material impact
Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	1 January 2016	Unlikely there will be a material impact
Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	1 January 2016	Unlikely there will be a material impact
Amendment to IAS 19: Employee Benefits: Annual Improvements project	1 January 2016	Unlikely there will be a material impact
Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project	1 January 2016	Unlikely there will be a material impact

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Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

3. Plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	194 021	(4 042)	189 979	-	-	-
Reconciliation of plant and equipment - 2016						
			Opening balance	Additions	Depreciation	Total
Motor vehicles			-	194 021	(4 042)	189 979

4. Trade and other receivables

Prepayments		5 558	-
Deposits		10 000	-
		15 558	-
Fair value of trade and other receivables			
Trade and other receivables		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		15 558	-
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand		6 206	-
Bank balances		2 822 558	999 943
		2 828 764	999 943

Quantity Surveyors' Registration Council
Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

6. Trade and other payables (Conti)

Other payables	15 029	-
Accrued leave pay	7 500	-
Accrued PAYE	14 762	-
Accrued severance pay	4 500	-
Accrued audit fees	34 440	-
	76 231	-
Trade and other payables		
	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	76 231	-
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7. Revenue

Revenue	2 721 500	1 000 000
The amount included in revenue are from the following:		
Ministry of infrastructure, science and technology	2 706 500	1 000 000
Institute of Botswana Quantity Surveyors	15 000	-
	2 721 500	1 000 000

8. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Premises

• Contractual amounts	40 000	-
Depreciation	4 042	-
Employee costs	102 429	-

9. Taxation

No provision has been made for 2016 tax as the council has no taxable income.

10. Cash generated from operations

Profit before taxation	1 958 127	
Adjustments for:		
Depreciation	4 042	-
Changes in working capital:		
Trade and other receivables	(15 558)	-
Trade and other payables	76 231	-
	2 022 842	999 943

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

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 2016	Less than 1 year
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.

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	2016	2015
Trade and other receivable	15 558	-
Bank balances	2 822 558	999 943

Quantity Surveyors' Registration Council

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Notes to the Annual Financial Statements

12. Financial assets by category

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

2016

	Loans and receivables	Total
Trade and other receivables	15 558	15 558
Bank balances	2 822 558	2 822 558
	<u>2 838 116</u>	<u>2 838 116</u>

2015

	Loans and receivables	Total
Bank balances	999 943	999 943

13. Financial liabilities by category

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

2016

	Financial liabilities at amortised cost	Total
Trade and other payables	76 231	76 231
	<u>76 231</u>	<u>76 231</u>

Quantity Surveyors' Registration Council

Annual Financial Statements for the year ended 31 March 2016

Detailed Income Statement

	12 months ended 31 March 2016	1 month ended 31 March 2015
Figures in Pula		
Revenue		
Revenue	2 721 500	1 000 000
Operating expenses		
Accounting fees	(7 500)	-
Advertising	(138 589)	-
Auditors' remuneration	(34 440)	-
Bank charges	(2 235)	(57)
Cleaning	(2 400)	-
Computer expenses	(5 114)	-
Consulting fees	(11 201)	-
Depreciation	(4 042)	-
Employee costs	(102 429)	-
Insurance	(4 304)	-
Lease rentals on operating lease	(40 000)	-
Legal expenses	(3 427)	-
Members sitting allowance	(302 600)	-
Postage	(1 545)	-
Security	(5 743)	-
Staff welfare	(12 337)	-
Telephone and fax	(4 794)	-
Travel	(74 673)	-
Utilities	(6 000)	-
	(763 373)	(57)
Surplus for the year	1 958 127	999 943

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



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