

**MAITLAMO SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
(REGISTRATION NUMBER 146)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**



BAKER TILLY

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	<p>A co-operative society of the employees of the Botswana Power Corporation. The society is registered as a co-operative society in terms of the Co-operative Societies Act, 2013.</p> <p>The society is a self-help entity for the welfare of its members. It receives savings deposits from its members and it also advances loans to its members.</p>
Management Board members	<p>Mr. Tumelo Abednico [Chairperson] Mr. Zwibodo William [Deputy Chairperson] Mr. Tumelo Motlamma [Secretary] Mr. Mpho Ramacha [Deputy Secretary] Mr. Moremi Mogapi [Treasurer] Mr. Philemon Maemo Mr. Mosekaphofu Magosi Mr. Mokwaledi Phalalo Mr. Timothy Chaba Ms. Pinkie Tom [Ex officio -Manager]</p>
Registered office	Motlakase House Gaborone Botswana
Postal address	P.O. Box 81773 Molapo Crossing Gaborone, Botswana
Bankers	Stanbic Bank of Botswana Limited Barclays Bank of Botswana Limited
Auditors	Baker Tilly Certified Auditors
Co-operative registration number	146
Tax reference number	Tax exempted
Date of Registration	17 September 1986

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

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Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Management Board's Responsibilities and Approval

The management board is required by the Co-operative Societies Act, 2013, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Co-operative Society as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

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

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

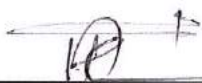
The management board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial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

The management board is satisfied that the Co-operative Society has access to adequate resources to continue in operational existence for the foreseeable future.

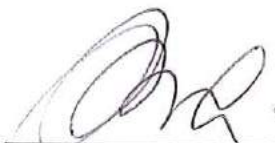
The external auditors are responsible for independently auditing and reporting on the Co-operative Society's financial statements. The financial statements have been examined by the Co-operative Society's external auditors and their report is presented on pages 5 - 7.

The financial statements set out on pages 8 to 24, which have been prepared on the going concern basis, were approved by the management board on 23/07/18 and were signed on its behalf by:

Approval of financial statements



Chairperson



Treasurer

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Management Board's Report

The management board have pleasure in submitting their report on the financial statements of Maitlamo Savings and Credit Co-operative Society Limited for the year ended 30 April 2017.

1. Incorporation

The Savings and Credit Co-operative Society was incorporated on 17 September 1986 and obtained its certificate to commence business on the same day.

2. Nature of business

Savings and Credit Co-operative Society.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies 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 society are set out in these financial statements.

4. Events after the reporting period

The management board is not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Auditors

Baker Tilly were appointed auditors in accordance with the requirements of the Co-operative Societies Act, 2013.

To the Members of Maitlamo Savings and Credit Co-operative Society Limited**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Maitlamo Savings and Credit Co-operative Society Limited set out on pages 8 to 24, which comprise the statement of financial position as at 30 April 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Maitlamo Savings and Credit Co-operative Society Limited as at 30 April 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies Act, 2013.

Basis for opinion

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

Other information

The management board is responsible for the other information. The other information comprises the Management Board's Report as required by the Co-operative Societies Act, 2013, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Financial Statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies Act, 2013, and for such internal control as the management board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the society either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

In preparing the financial statements, the management board is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the society either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the society's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Conclude on the appropriateness of the society 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 society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management board 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.

Report on other legal and regulatory requirements

As required by the Co-operative Societies Act, 2013 we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the Society, so far as appears from our examination of those books; and
- the Society's statement of financial position and profit and loss account are in agreement with the books of account.

Baker Tilly

Baker Tilly

Certified Auditors

Practising Member: Samuel Njanji

Certified Auditor: (20140132)

23/07/2018

Unit 3B, Tholo Office Park
RDC Mpingo, Plot 50668
Fairgrounds
Gaborone, Botswana




Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Statement of Financial Position as at 30 April 2017

Figures in Pula	Note(s)	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	2	793,797	650,071
Current Assets			
Trade and other receivables	3	42,451,928	43,566,531
Other financial assets	4	664,686	651,230
Cash and cash equivalents	5	11,038,926	5,412,404
		54,155,540	49,630,165
Total Assets		54,949,337	50,280,236
Equity and Liabilities			
Equity			
Share capital	6	839,400	396,400
Reserves		3,824,798	3,230,179
Retained income		10,768,480	9,647,027
		15,432,678	13,273,606
Liabilities			
Non-Current Liabilities			
Provisions	14	128,831	126,395
Current Liabilities			
Trade and other payables	7	8,808,528	7,517,695
Members' Savings	13	30,551,300	29,362,540
Dividend payable		28,000	-
		39,387,828	36,880,235
Total Liabilities		39,516,659	37,006,630
Total Equity and Liabilities		54,949,337	50,280,236

The financial statements and the notes on pages 4 to 24, were approved by the board on the 23/07/18 and were signed on its behalf by:



 Director



 Director

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	2017	2016
Revenue	8	7,420,140	6,620,712
Other income			
Rental income		23,400	23,000
Joining fees		1,760	8,800
Interest received	10	277,649	142,137
		302,809	173,937
Expenses (Refer to page 10)		(3,686,158)	(4,592,965)
Operating profit		4,036,791	2,201,684
Interest accrued on members' savings	11	(1,658,315)	(1,448,687)
Profit for the year		2,378,476	752,997

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	2017	2016
Operating expenses			
Accounting fees		11,600	-
Administration expenses		38,482	18,600
Annual general meeting		162,919	290,061
Auditors remuneration	15	117,360	101,900
Bad debts		478,359	1,604,565
Bank charges		56,862	154,337
Committee expenses		819,077	753,591
Depreciation		135,023	59,282
Sponsorships		15,000	-
Employee costs		1,330,601	1,197,185
Entertainment		24,191	30,000
Boleswa youth		21,528	-
Fines and penalties		70,780	-
Internship		63,893	13,197
International visits		160,634	116,518
Insurance		6,127	37,991
Legal expenses		19,783	-
Motor vehicle expenses		23,528	16,963
Rates		221	-
Printing and stationery		47,747	126,136
Security		42,820	22,397
Telephone and fax		39,623	50,242
		3,686,158	4,592,965

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Statement of Changes in Equity

Figures in Pula	Share capital	Revaluation Reserve	Statutory Reserve	Total reserves	Retained income	Total members' equity
Balance at 1 May 2015	385,000	70,246	2,971,684	3,041,930	9,082,279	12,509,209
Profit for the year	-	-	-	-	752,997	752,997
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	752,997	752,997
Appropriation to statutory reserve	-	-	188,249	188,249	(188,249)	-
Changes in ownership interests	11,400	-	-	-	-	11,400
Total contributions by and distributions recognised directly in equity	11,400	-	188,249	188,249	(188,249)	11,400
Balance at 1 May 2016	396,400	70,246	3,159,933	3,230,179	9,647,027	13,273,606
Profit for the year	-	-	-	-	2,378,476	2,378,476
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,378,476	2,378,476
Appropriation to statutory reserve	-	-	594,619	594,619	(594,619)	-
Committee Honorarium	-	-	-	-	(130,200)	(130,200)
Bonus shares	504,200	-	-	-	(504,204)	(4)
Changes in ownership interests	(61,200)	-	-	-	-	(61,200)
Dividends	-	-	-	-	(28,000)	(28,000)
Total contributions by and distributions recognised directly in equity	443,000	-	594,619	594,619	(1,257,023)	(219,404)
Balance at 30 April 2017	839,400	70,246	3,754,552	3,824,798	10,768,480	15,432,678
Note(s)	6					

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Statement of Cash Flows

Figures in Pula	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from operations	12	6,302,033	2,775,397
Interest income		277,649	142,137
Interest accrued on members' savings		(1,658,315)	(1,448,687)
Net cash from operating activities		4,921,367	1,468,847
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(278,749)	(105,412)
Net movement on financial assets		(13,456)	2,736,655
Net cash from investing activities		(292,205)	2,631,243
Cash flows from financing activities			
Proceeds on share issue		(61,200)	11,400
Net movement on members' savings		1,188,760	(1,311,730)
Honorarium		(130,200)	-
Net cash from financing activities		997,360	(1,300,330)
Total cash movement for the year		5,626,522	2,799,760
Cash at the beginning of the year		5,412,404	2,612,644
Total cash at end of the year	5	11,038,926	5,412,404

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards, and the Co-operative Societies Act, 2013. The financial statements have been prepared on the historical cost basis, except for measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in Botswana Pula.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

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 judgments include:

Loans and receivables

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

The impairment for the loans and receivable is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment Testing

The recoverable amounts of individual assets have been determined based on the higher of value in use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions.

The Co-operative society reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could change over time. They are significantly affected by a number of factors including the growth in the loan and savings books of the Society, together with economic factors such as exchange rates and interest rates.

1.2 Property, plant and equipment

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

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the line item will flow to the Society, and the cost of the item can be measured reliably.

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Accounting Policies

1.2 Property, plant and equipment (continued)

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

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

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

Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Average useful life
Buildings	40 Years
Furniture and fixtures	5 Years
Motor vehicles	5 Years
Office equipment	5 Years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Accounting Policies

1.3 Financial instruments

Classification

The Co-operative society classifies financial assets and financial liabilities into the following categories:

- Loans and Receivables
- 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 Society becomes a party to the contractual provisions of the instruments.

The Co-operative society 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 wich 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 cost are included in the initial measurement of the instrument.

Subsequent measurement

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

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investment have expired or have been transfered and the Society has transfered substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Co-operative society establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Accounting Policies

1.3 Financial instruments (continued)

Impairment of financial assets

At each reporting date the Co-operative society assesses all financial assets, other than those at fair value through profit or loss to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Co-operative society, significant financial difficulties off the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss -is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available for sale.

Impairment losses are also not subsequently reversed for available for sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using 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 assets carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Accounting Policies

1.3 Financial instruments (continued)

Trade and other receivables (continued)

The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognised in profit or loss withing 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 expense 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.

Bank overdraft and borrowings

Bank overdraft and borrowings are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Co-operative society's accounting policy for borrowing costs.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.5 Revenue

Interest is recognised, in profit or loss, using the effective interest rate method. Interest on loans to members is computed on a monthly basis and it is charged to the loan accounts at the end of each month.

1.6 Credit life fund

This is an insurance fund operated by the Society to cover losses on ordinary and emergency loans on the death of members. All loans advanced to members are disbursed net of credit life premiums which range between 1% and 1.2% of the loan account. These premiums are polled together and they are used to settle members' loan balances when they pass away.

The fund is accounted for as a liability and claims reduce the liability.

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Accounting Policies

1.7 News Standards and interpretations

Standards and interpretations effective and adopted in the current year

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

IAS 24 Related party amendment

Amendment to include the definition of KPM- An entity which provides key personnel management services is also a related party and disclosures are required as such.

The effective date of the standard is for years beginning on or after 01 January 2015.

The impact of the standard is not material as the society has not engaged an entity which provided key management personnel services, which qualifies as related party transactions as required by the amendment.

IAS16 Property, plant and equipment and IAS 18 Intangible assets

Amendment to remove the inconsistencies in the accounting for accumulated depreciation or amortisation when using the revaluation method.

The effective date of the standard is for years beginning on or after 01 January 2015.

The impact of the standard is not material as the company does not account for these on a revaluation method, the amendment to this standard have not had any impact on these financial statements.

IFRS 13 Fair Value Measurement

Short-term receivables and payables need not be discounted if the effect of discounting is immaterial.

The effective date of the standard is for years beginning on or after 01 January 2015.

The Society has adopted the standard for the first time in the 2016 financial statements.

The impact of the standard is not material.

Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2016 or later periods but are not relevant to its operations:

IFRS 9 Financial instruments

In July 2014, the IASB finalised the reform of Financial Instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and liabilities b) the impairment methodology and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments; Recognition and Measurement upon its effective date.

The effective date of the standard is for years beginning on or after 01 January 2018.

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Accounting Policies

1.7 News Standards and interpretations (continued)

The Society expects to adopt the standard for the first time in the 2019 financial statements.

The adoption of this standard is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the financial statements.

IFRS 15 Revenue from contracts with customers

This IFRS deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amounts, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The start replaces IAS 18 Revenue and related interpretations.

The effective date of the standard is for years beginning on or after 01 January 2017.

The society expects to adopt the standard for the first time in the 2018 financial statements.

The standard is expected to have no impact on the accounting treatment of revenue as the co-operative does not have contracts.

Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation.

The amendments to IAS 16 and IAS 38 prohibit entities from using a revenue-based depreciation method for items of property and equipment.

The effective date of the standard is for years beginning on or after 01 January 2016.

The co-operative accounts for its depreciation and amortization on a straight line basis and does not use revenue as a basis. Hence the amendment will not have any impact of the company's financial statements.

Disclosure initiative: Amendment to IAS 1: presentation of financial statements.

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to read to prevent the use of judgement.

The effective date of the standard is for years beginning on or after 01 January 2016.

The society expects to adopt the standard for the first time in the 2017 financial statements.

It is unlikely that the standard will have a material impact on the society's financial statements as the company had rarely such difficulties.

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Notes to the Financial Statements

	2017	2016
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2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	287,400	-	287,400	-	-	-
Buildings	142,600	(14,260)	128,340	513,000	(79,363)	433,637
Furniture and fixtures	62,136	(36,264)	25,872	62,136	(25,848)	36,288
Motor vehicles	274,473	(55,329)	219,144	70,246	(14,049)	56,197
Office equipment	182,837	(55,413)	127,424	117,827	(37,217)	80,610
IT equipment	5,712	(95)	5,617	72,609	(29,270)	43,339
Total	955,158	(161,361)	793,797	835,818	(185,747)	650,071

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Transfers	Depreciation	Impairment loss	Total
Land	-	-	287,400	-	-	287,400
Buildings	433,637	-	(287,400)	(3,565)	(14,332)	128,340
Furniture and fixtures	36,288	-	-	(10,416)	-	25,872
Motor vehicles	56,197	204,217	-	(41,270)	-	219,144
Office equipment	80,610	68,820	-	(22,006)	-	127,424
Computer software	43,339	5,712	-	(95)	(43,339)	5,617
	650,071	278,749	-	(77,352)	(57,671)	793,797

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Buildings	444,387	-	(10,750)	433,637
Furniture and fixtures	12,066	33,094	(8,872)	36,288
Motor vehicles	70,246	-	(14,049)	56,197
Office equipment	37,992	57,121	(14,503)	80,610
Computer software	39,250	15,197	(11,108)	43,339
	603,941	105,412	(59,282)	650,071

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Notes to the Financial Statements

Figures in Pula	2017	2016
3. Trade and other receivables		
Main loans to members	39,154,896	40,034,096
Emergency loans to members	1,906,394	2,216,238
Quick loans to members	389,425	360,170
Staff loans	922,146	889,239
Prepayments	19,007	-
Accrued rental income	16,800	18,300
Other receivables	43,260	48,488
	42,451,928	43,566,531
4. Other financial assets		
At fair value		
Unit trusts	664,686	651,230
Current assets		
At fair value	664,686	651,230
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	230	64,939
Bank balances	5,990,175	3,847,465
Short-term deposits	5,048,521	1,500,000
	11,038,926	5,412,404
6. Share capital		
Issued		
Ordinary	244,200	279,800
Bonus Share	595,200	116,600
	839,400	396,400

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Notes to the Financial Statements

Figures in Pula	2017	2016
7. Trade and other payables		
Interest on members savings	1,791,402	1,299,996
Co-operative central fund	255,144	255,144
Provision for audit fees	63,360	60,000
Medical aid subscription accrual	8,851	5,220
Accrued expenses	10,356	3,410
Life insurance	6,410,757	5,893,925
Staff bonus	67,678	-
Committee hononarium	130,200	-
Other payables	70,780	-
	8,808,528	7,517,695
8. Interest earned on members' loan		
Interest on staff loans	86,687	91,744
Interest on ordinary loans	6,111,869	5,424,188
Interest on quick loans	296,836	285,167
Interest on emergency loans	387,563	315,255
Insurance income	537,185	504,358
	7,420,140	6,620,712
9. Employee costs		
Wages and salaries	1,007,417	1,058,060
Staff bonus	67,678	-
Medical aid	16,383	24,525
Leave pay	76,827	1,300
Staff expenses	79,277	47,155
Staff gratuities	83,019	66,145
	1,330,601	1,197,185
10. Investment revenue		
Interest revenue		
Bank	277,649	142,137
11. Interest accrued on members' savings		
Interest on savings	1,658,315	1,448,687

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Notes to the Financial Statements

Figures in Pula	2017	2016
12. Cash generated from operations		
Profit for the year	2,378,476	752,997
Adjustments for:		
Depreciation and amortisation	77,352	59,282
Interest received - investment	(277,649)	(142,137)
Interest on members' savings	1,658,315	1,448,687
Impairment loss	57,671	-
Movements in provisions	2,436	(50,280)
Changes in working capital:		
Trade and other receivables	1,114,601	7,995,916
Trade and other payables	1,290,831	(7,289,068)
	6,302,033	2,775,397

13. Members' Savings

At amortised cost

Closing balance	30,551,300	29,362,540
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These are members' monthly savings deposited with the Co-operative Society. Interest is earned on these savings. A member may withdraw all his/her earnings when terminating membership and will receive all their savings less any amount owed to the society.

Current liabilities

At fair value	30,551,300	29,362,540
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14. Provisions

Reconciliation of provisions - 2017

	Opening balance	Additions	Total
Provisions for employee benefits	126,395	2,436	128,831

Reconciliation of provisions - 2016

	Opening balance	Utilised during the year	Total
Provisions for employee benefits	176,675	(50,280)	126,395

Maitlamo Savings and Credit Co-operative Society Limited

Financial Statements for the year ended 30 April 2017

Notes to the Financial Statements

Figures in Pula	2017	2016
15. Auditor's remuneration		
Fees	117,360	101,900

16. Related parties

Relationships

Management Board

Member of key management

See general information (page 1)

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17. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

18. Events after the reporting period

Management is not aware of any material events occurring between the year end and date of approval of the financial statements, which require disclosure.