

**THE BOTSWANA INSTITUTE OF ARBITRATORS**

**CR 11410**

**ANNUAL FINANCIAL STATEMENTS**

**31 DECEMBER 2018**

## **THE BOTSWANA INSTITUTE OF ARBITRATORS**

The society is registered in terms of the Botswana Societies Act  
- registration number CR11410

### **GENERAL INFORMATION**

#### **EXECUTIVE COMMITTEE**

Chairman (from 11 May 2016)	Tengo Rubadiri
Honorary secretary	Joanna Robinson
Honorary treasurer	Charlene van Riet-Lowe
Member	Litlaelo Apadile
Member	SS Miglani
Member	Andor Ginder
Member	Don Ruhukwa
Member	Tapiwa Gachala

#### **NATURE OF BUSINESS**

The Botswana Institute of Arbitrators is the organisation to promote and facilitate timely and private resolution of disputes in Botswana through arbitration and mediation.

#### **POSTAL ADDRESS**

PO Box AD85 ADD  
Gaborone

#### **EMAIL ADDRESS**

info@biarb.org  
www.biarb.org

#### **BANKERS**

Standard Chartered Bank Botswana Limited

**THE BOTSWANA INSTITUTE OF ARBITRATORS  
ANNUAL FINANCIAL STATEMENTS  
31 DECEMBER 2018**

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**THE BOTSWANA INSTITUTE OF ARBITRATORS  
ANNUAL FINANCIAL STATEMENTS  
EXECUTIVE COMMITTEE'S RESPONSIBILITY STATEMENT AND APPROVAL  
OF ANNUAL FINANCIAL STATEMENTS  
31 December 2018**

The executive committee is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements fairly present the state of affairs of the society as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Boards.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all members are required to maintain the highest ethical standards in ensuring the society's business is conducted in a manner that in all reasonable circumstances is above reproach. While operating risk cannot be fully eliminated, the society endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The committee is of the opinion 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 executive committee has reviewed the society's cash flow forecast for the ensuing year and, in the light of this review and the current financial position, it is satisfied that the society has or has access to adequate resources to continue in operational existence for the foreseeable future.

The executive committee is responsible for the financial affairs of the society.

The attached annual financial statements, which have been prepared on the going concern basis, were approved by the executive committee and were signed on its behalf by:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Treasurer

Gaborone  
15th March 2019

**P.McC. van Riet-Lowe**  
P.O. Box 2111  
Gaborone  
Botswana  
[peter.vanriet-lowe@e2va.com](mailto:peter.vanriet-lowe@e2va.com)

**REPORT OF THE ACCOUNTANT  
TO THE MEMBERS OF  
THE BOTSWANA INSTITUTE OF ARBITRATORS**

On the basis of information provided by management I have compiled, in accordance with the International Standards on Related Services applicable to compilation engagements, the statement of financial position of the society at 31 December 2017 and the related statement of comprehensive income, statement of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These accompanying financial statements and the accuracy and completeness of the information used to compile them are the executive committee's responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information management provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with International Financial Reporting Standards.

My compilation report is intended for the use of all the members of the society, tax authorities, clients, bankers and suppliers. As my compilation report may not be suitable for any other purpose, it may not be distributed to any parties other than those specified above without my prior written consent.

Registered Member: P.McC. van Riet-Lowe FCA (200400900)

Gaborone

15th March 2019

**THE BOTSWANA INSTITUTE OF ARBITRATORS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2018

	<u>2018</u>	<u>2017</u>
	P	P
<b>Income</b>		
Membership fees	75,950	49,000
Arbitrator appointment fees and recoveries	6,100	21,070
Registration fees	5,000	8,250
Total net income	<u>87,050</u>	<u>78,320</u>
<b>Expenses</b>		
Bank charges	690	1,687
Seminar hosting and attendance costs	17,283	15,439
General office and administrative costs	43,466	10,619
	<u>61,439</u>	<u>27,745</u>
<b>Operating profit</b>	25,611	50,575
Interest income	131	189
Profit before taxation	25,740	50,762
Income tax expense	2	5,568
<b>Profit after taxation for the year</b>	<u>20,172</u>	<u>39,594</u>

**THE BOTSWANA INSTITUTE OF ARBITRATORS  
STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> P	<u>2017</u> P
<b>ASSETS</b>			
<b>Current Assets</b>			
Accounts receivable	3	0	0
Cash and cash equivalents		<u>146,039</u>	<u>123,718</u>
Total current assets		<u>146,039</u>	<u>123,718</u>
<b>Total assets</b>		<u><u>146,039</u></u>	<u><u>123,718</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated surplus		<u>130,721</u>	<u>110,549</u>
Total equity		<u>130,721</u>	<u>110,549</u>
<b>Current Liabilities</b>			
Accounts payable	4	9,750	2,001
Taxation payable	2	<u>5,568</u>	<u>11,168</u>
Total current liabilities		<u>15,318</u>	<u>13,169</u>
<b>Total equity and liabilities</b>		<u><u>146,039</u></u>	<u><u>123,718</u></u>

**THE BOTSWANA INSTITUTE OF ARBITRATORS**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2018**

	<b>Retained Income</b>	<b>Total</b>
	<b>P</b>	<b>P</b>
<b>Balance at 31 December 2016</b>	70,955	70,955
Total comprehensive income for the year	39,594	39,594
<b>Balance at 31 December 2017</b>	<u>110,549</u>	<u>110,549</u>
Total comprehensive income for the year	20,172	20,172
<b>Balance at 31 December 2018</b>	<u><u>130,721</u></u>	<u><u>130,721</u></u>



**THE BOTSWANA INSTITUTE OF ARBITRATORS**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2018**

	<u>2018</u>	<u>2017</u>
	P	P
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from members and other	95,050	64,320
Cash payments to suppliers	(61,692)	(32,633)
Cash generated from operations	<u>33,358</u>	<u>31,687</u>
Income tax paid	(11,168)	(28,745)
<b>Net cash from operating activities</b>	<u>22,190</u>	<u>2,942</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Interest income	<u>131</u>	<u>189</u>
<b>Net cash used in investing activities</b>	<u>131</u>	<u>189</u>
<b>NET CASH GENERATED</b>	22,321	3,131
CASH AND CASH EQUIVALENTS at beginning of the year	<u>123,718</u>	<u>0</u>
CASH AND CASH EQUIVALENTS at end of the year	<u>146,039</u>	<u>3,131</u>
Represented by:		
Cash and cash equivalents	<u>146,039</u>	<u>123,718</u>

**THE BOTSWANA INSTITUTE OF ARBITRATORS**  
**Accounting policies to the financial statements**  
**for the year ended 31 December 2018**

**1. Summary of significant accounting policies**

*Basis of preparation*

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for of certain assets and financial instruments. The financial statements are presented in Botswana Pula (P).

*Foreign currency translation*

*Functional currency and presentation currency*

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

*Transactions and balances*

In preparing the financial statements, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer hedging accounting policies), and exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

*Provisions*

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

*Revenue recognition*

Revenue is measured at the fair value of the consideration received.

**THE BOTSWANA INSTITUTE OF ARBITRATORS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

	<u>2018</u>	<u>2017</u>
	P	P
<b>2 Income tax expense</b>		
The normal taxation rate is 22%		
Taxation charge for the year:	5,568	11,168
Taxation per income statement	<u>5,568</u>	<u>11,168</u>

There are no significant differences between the amounts presented above and those reported to the tax authorities

**3 Trade and other receivables**

Sundry receivables	<u>0</u>	<u>0</u>
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**4 Trade and other payables**

Prepaid fees	7,250	1,750
Sundry accruals	<u>2,500</u>	<u>251</u>
Total	<u>9,750</u>	<u>2,001</u>

**5 Events after the reporting period**

The members of the executive committee are not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in these financial statements, that would have a significant effect on the operations of the society or the result of its operations.