



Rites (Afrika) (Proprietary) Limited
(Registration number CO.:1991/37)
Audited Financial Statements
for the year ended 31 March, 2019

Mass International
Chartered Accountants
Issued 25 April, 2019

Rites (Afrika) (Proprietary) Limited

(Registration number: CO.:1991/37)

Audited Financial Statements for the year ended 31 March, 2019

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Designs and projects consultancy services
Directors	Rajesh Kumar Babu Narayanan Ganesh
Registered office	Plot 746, Extension 2, Gaborone.
Business address	Plot 1245, Gaborone West Industrial, Gaborone.
Postal address	PO Box 402361, Gaborone.
Holding company	Rites Limited incorporated in India
Bankers	Bank of Baroda Botswana Limited
Auditors	Mass International Chartered Accountants Plot 163/164, Unit 20, Gaborone International Commerce Park, Market Gardens, Gaborone.
Secretary	Prudential Accounting & Secretarial Services (Pty) Ltd.
Company registration number	CO.:1991/37
Tax reference number	C-005385-01-01-0
Level of assurance	These audited financial statements have been audited in compliance with the applicable requirements of the Companies Act of Botswana.
Issued	25 April, 2019

Rites (Afrika) (Proprietary) Limited

(Registration number: CO.:1991/37)

Audited Financial Statements for the year ended 31 March, 2019

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Level of assurance

These audited financial statements have been audited in compliance with the applicable requirements of the Companies Act of Botswana.

Published

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Audited Financial Statements for the year ended 31 March, 2019

Directors' Responsibilities and Approval

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

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

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

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

The directors have reviewed the company's cash flow forecast for the year to 31 March, 2020 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's audited financial statements. The audited financial statements have been examined by the company's external auditors and their report is presented on page 6 to 7.

The audited financial statements set out on pages 8 to 23, which have been prepared on the going concern basis, were approved by the board of directors on 25 April, 2019 and were signed on its behalf by:

Approval of audited financial statements


Rajesh Kumar

Director (RAPL)



Rites (Afrika) (Proprietary) Limited

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Directors' Report

The directors have pleasure in submitting their report on the audited financial statements of Rites (Afrika) (Proprietary) Limited and its associates for the year ended 31 March, 2019.

1. Incorporation

The company was incorporated on 16 January, 1991 and obtained its certificate to commence business on the same day.

2. Nature of business

Rites (Afrika) (Proprietary) Limited was incorporated in Botswana and primarily engaged in Designs and projects consultancy services. The company operates in Botswana.

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

3. Review of financial results and activities

The audited financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of Botswana. 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 company are set out in these audited financial statements.

4. Share capital

Authorised			2019	2018
			Number of shares	Number of shares
Ordinary shares			10,000	10,000
Issued	2019	2018	2019	2018
	P	P	Number of shares	Number of shares
Ordinary shares	10,000	10,000	10,000	10,000

There have been no changes to the authorised or issued share capital during the year under review.

5. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control program, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

6. Directors

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

Directors	Office	Designation	Nationality
Rajesh Kumar	Chairperson	Executive	Indian
Babu Narayanan Ganesh	Director	Executive	Indian

There have been no changes to the directorate for the period under review.

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

8. Events after the reporting period

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

Rites (Afrika) (Proprietary) Limited

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Directors' Report

9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors 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 company.

10. Litigation statement

The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

11. Secretary

The company secretary is Prudential Accounting & Secretarial Services (Pty) Ltd.

Postal address

PO Box 45128,
Riverwalk,
Gaborone.

Business address

Plot 746,
Extension 2,
Gaborone.

12. Statement of disclosure to the company's auditors

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

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

13. Terms of appointment of the auditors

Mass International were appointed as the company's auditors at the general meeting held. Included in profit for the year is the agreed auditor's remuneration of P75,000. Shareholder wishing to inspect a copy of the terms on which the company's auditors is appointed and remunerated may do so by contacting the Director.

14. Date of authorisation for issue of audited financial statements

The audited financial statements have been authorised for issue by the directors on 25 April, 2019. No authority was given to anyone to amend the audited financial statements after the date of issue.

15. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the company.

Independent Auditor's Report

To the shareholder of Rites (Afrika) (Proprietary) Limited

Opinion

We have audited the financial statements of Rites (Afrika) (Proprietary) Limited set out on pages 8 to 23, which comprise the statement of financial position as at 31 March, 2019, 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 audited financial statements, including a summary of significant accounting policies.

In our opinion, the audited financial statements present fairly, in all material respects, the financial position of Rites (Afrika) (Proprietary) Limited as at 31 March, 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of Botswana.

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 audited financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of audited 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 directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of Botswana, which we obtained prior to the date of this report. Other information does not include the audited financial statements and our auditor's report thereon.

Our opinion on the audited 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 audited financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited 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 Audited Financial Statements

The directors are responsible for the preparation and fair presentation of the audited financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of Botswana, and for such internal control as the directors determine is necessary to enable the preparation of audited financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report

Auditor's responsibilities for the audit of the Audited Financial Statements

Our objectives are to obtain reasonable assurance about whether the audited 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 audited 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 audited financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the audited financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the audited financial statements, including the disclosures, and whether the audited financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


MASS INTERNATIONAL
Mass International
Archendra Suman Jha
Certified Auditor
B/CA Practising membership no.:20090020

MASS INTERNATIONAL
CHARTERED ACCOUNTANTS
PLOT 163/164 UNIT 20
MARKET GARDENS
GABORONE INTERNATIONAL COMMERCE PARK
P.O. BOX 404657, GABORONE
TEL: 3937134 FAX: 3691010

25 April, 2019

Plot 163/164, Unit 20,
Gaborone International Commerce Park,
Market Gardens,
Gaborone.

Rites (Afrika) (Proprietary) Limited

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Audited Financial Statements for the year ended 31 March, 2019

Statement of Financial Position as at 31 March, 2019

Figures in Pula	Note(s)	2019	2018
Assets			
Non-Current Assets	2	6,829	12,955
Property, plant and equipment		1,291,215	1,251,324
Investment - FD		<u>1,298,044</u>	<u>1,264,279</u>
Current Assets	4	3,856,263	1,030,339
Trade and other receivables	5	1,313,852	2,375,025
Cash and cash equivalents		<u>5,170,115</u>	<u>3,405,364</u>
		<u>6,468,159</u>	<u>4,669,643</u>
Total Assets			
Equity and Liabilities			
Equity	6	10,000	10,000
Stated capital		3,829,528	3,496,526
Retained income		<u>3,839,528</u>	<u>3,506,526</u>
Liabilities			
Non-Current Liabilities	3	34,772	17,287
Deferred tax			
Current Liabilities	7	2,335,304	923,827
Trade and other payables		103,136	25,834
Current tax payable	8	109,169	149,919
Provisions		46,250	46,250
Dividend payable		<u>2,593,859</u>	<u>1,145,830</u>
		<u>2,628,631</u>	<u>1,163,117</u>
Total Liabilities		<u>6,468,159</u>	<u>4,669,643</u>
Total Equity and Liabilities			

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Statement of Comprehensive Income

Figures in Pula	Note(s)	2019	2018
Revenue	9	10,669,559	8,115,577
Cost of services	10	(5,522,042)	(4,753,944)
Gross profit		5,147,517	3,361,633
Other income	11	167,711	138,757
Operating expenses		(4,799,950)	(3,352,216)
Operating profit	12	515,278	148,174
Profit before taxation		515,278	148,174
Taxation	15	(132,276)	(34,388)
Profit for the year		383,002	113,786
Other comprehensive income		-	-
Total comprehensive income for the year		383,002	113,786

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Statement of Changes in Equity

	Share capital	Retained income	Total equity
Figures in Pula			
Balance at 1 April, 2017	10,000	3,432,740	3,442,740
Profit for the year	-	113,786	113,786
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	113,786	113,786
Total changes	-	(50,000)	(50,000)
Balance at 1 April, 2018	10,000	3,496,526	3,506,526
Profit for the year	-	383,002	383,002
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	383,002	383,002
Total changes	-	(50,000)	(50,000)
Balance at 31 March, 2019	10,000	3,829,528	3,839,528
Note(s)	6		

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Statement of Cash Flows

Figures in Pula	Note(s)	2019	2018
Cash flows from operating activities			
Cash (used in) generated from operations	17	(933,793)	1,266,394
Tax paid	18	(37,489)	(19,458)
Net cash from operating activities		(971,282)	1,246,936
Cash flows from investing activities			
Purchase of investment - FD		(39,891)	-
Cash flows from financing activities			
Dividends paid	19	(50,000)	(50,000)
Total cash movement for the year		(1,061,173)	1,196,936
Cash at the beginning of the year		2,375,025	1,178,089
Total cash at end of the year	5	1,313,852	2,375,025

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Accounting Policies

General information

Rites (Afrika) (Proprietary) Limited is a public company incorporated and domiciled in Botswana.

1. Basis of preparation and summary of significant accounting policies

The audited financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of Botswana. The audited financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Pula.

These accounting policies are consistent with the previous period.

1.1 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit or loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an investment property 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 investment property, the carrying amount of the replaced item is derecognised.

The fair value is determined annually by an external valuator derived from current market prices of comparable real estate.

1.2 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	6-7 years
Computer & software	Straight line	4 years

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Audited Financial Statements for the year ended 31 March, 2019

Accounting Policies

1.2 Property, plant and equipment (continued)

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

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

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

1.3 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

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Audited Financial Statements for the year ended 31 March, 2019

Accounting Policies

1.4 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Impairment of assets

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

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Stated capital and equity

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

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

1.7 Employee benefits

Short-term employee benefits

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

1.8 Provisions and contingencies

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

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Audited Financial Statements for the year ended 31 March, 2019

Accounting Policies

1.8 Provisions and contingencies (continued)

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

Provisions are not recognised for future operating losses.

1.9 Revenue

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

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

1.10 Borrowing costs

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

1.11 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Pula, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

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Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

	2019	2018
Figures in Pula		

2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	67,339	(65,936)	1,403	67,339	(65,234)	2,105
Motor vehicles	57,000	(57,000)	-	57,000	(57,000)	-
Office equipment	92,809	(92,809)	-	92,809	(92,809)	-
Computer & software	72,221	(66,795)	5,426	72,221	(61,371)	10,850
Total	289,369	(282,540)	6,829	289,369	(276,414)	12,955

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	2,105	(702)	1,403
Computer & software	10,850	(5,424)	5,426
	12,955	(6,126)	6,829

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	2,807	(702)	2,105
Motor vehicles	14,250	(14,250)	-
Computer & software	16,274	(5,424)	10,850
	33,331	(20,376)	12,955

3. Deferred tax

The major components of the deferred tax balance are as follows:

Deferred tax asset

Arising as a result of temporary differences on:

Tax losses available for set off against future taxable income	(34,772)	(17,287)
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Reconciliation of deferred tax asset/(liability)

At beginning of year	(17,287)	(15,498)
Recognised in profit or loss:		
Movements in provisions	(17,485)	(1,789)
At end of year	(34,772)	(17,287)

4. Trade and other receivables

Trade receivables	3,847,031	989,803
Employee costs in advance	-	38,348
Prepaid Insurance	1,232	2,188
Security Deposits	8,000	-
	3,856,263	1,030,339

Rites (Afrika) (Proprietary) Limited

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Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

Figures in Pula	2019	2018
4. Trade and other receivables (continued)		
Trade and other receivables pledged as security		
None of the Trade and other receivables were pledged as security.		
Fair value of trade and other receivables		
Trade and other receivables	3,856,263	1,030,339
Trade and other receivables past due but not impaired		
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March, 2019, P 2,589,343 (2018: P 21,538) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	1,215,554	9,675
2 months past due	1,373,789	11,863
3 months or more past due	122,438	32,194
Current	1,144,482	976,607
The carrying amount of trade and other receivables are denominated in Pula.		
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	43,910
Bank balances	1,313,852	2,331,115
	1,313,852	2,375,025
6. Stated capital		
Issued		
Ordinary	10,000	10,000
7. Trade and other payables		
Trade payables	1,794,725	435,385
Retention money payable	341,201	232,938
VAT	70,073	52,158
Accrued expenses	-	14,132
Office rent payable	-	279
Accrued audit fees	45,000	37,500
Other withholding tax payable (rent)	2,402	2,408
Withholding tax payable (salary)	67,042	60,571
Withholding tax payable on dividend	3,750	7,500
Deposits received	4,661	4,661
Rites India Current account	6,450	76,295
	2,335,304	923,827
Fair value of trade and other payables		
Trade payables	2,335,304	923,827
The carrying amounts of trade and other payables are denominated in the Pula.		

Rites (Afrika) (Proprietary) Limited

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Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

Figures in Pula	2019	2018
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8. Provisions

Reconciliation of provisions - 2019

	Opening balance	Utilised during the year	Total
Severance provision	3,039	(3,039)	-
Leave pay provision	146,880	(37,711)	109,169
	149,919	(40,750)	109,169

Reconciliation of provisions - 2018

	Opening balance	Additions	Utilised during the year	Total
Severance Provision	16,983	3,039	(16,983)	3,039
Leave pay Provision	53,461	93,419	-	146,880
	70,444	96,458	(16,983)	149,919

Severance benefit is a function of the employee basic pay and number of years worked.

9. Revenue

Rendering of services	10,669,559	8,115,577
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10. Cost of sales

Cost of services	5,522,042	4,753,944
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11. Other income

Rental income	82,040	96,364
Interest income - FD	39,444	32,324
Interest received on call	19,146	10,069
Other income	27,081	-
	167,711	138,757

12. Operating profit

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

Operating lease charges

Lease rentals on operating lease	607,160	256,181
• Contractual amounts		
Depreciation on property, plant and equipment	6,126	20,376
Employee costs	2,572,304	1,584,893

13. Employee cost

Employee costs	2,572,304	1,584,893
Basic		

Rites (Afrika) (Proprietary) Limited

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Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

Figures in Pula	2019	2018
14. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	6,126	20,376
15. Taxation		
Major components of the tax expense		
Current taxation		
Local normal tax - year	114,791	32,599
Deferred taxation		
Local deferred tax - current year	17,485	1,789
	132,276	34,388
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	515,278	148,174
Tax at the applicable tax rate of 22%	113,361	32,599
Tax effect of adjustments on taxable income		
Deferred tax effect income	17,485	1,789
	17,485	1,789
Non-deductible expenses		
Corporate social responsibility (Donation)	1,430	-
	1,430	-
	132,276	34,388
16. Auditor's remuneration		
Fees	75,000	75,000
17. Cash (used in) generated from operations		
Profit before taxation	515,278	148,174
Adjustments for:		
Depreciation and amortisation	6,126	20,376
Movements in provisions	(40,750)	79,475
Other non-cash items	-	(32,293)
Changes in working capital:		
Trade and other receivables	(2,825,924)	752,499
Trade and other payables	1,411,477	298,163
	(933,793)	1,266,394

Rites (Afrika) (Proprietary) Limited

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Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

	2019	2018
Figures in Pula		

18. Tax paid

	(25,834)	(12,693)
Balance at beginning of the year	(114,791)	(32,599)
Current tax for the year recognised in profit or loss	103,136	25,834
Balance at end of the year	<u>(37,489)</u>	<u>(19,458)</u>

19. Dividends paid

	(46,250)	(46,250)
Balance at beginning of the year	(50,000)	(50,000)
Dividends	46,250	46,250
Balance at end of the year	<u>(50,000)</u>	<u>(50,000)</u>

20. Contingencies

There is no reimbursement from any third parties for potential obligations of the company.

21. Comparative figures

Certain comparative figures have been reclassified.

Rites (Afrika) (Proprietary) Limited

(Registration number: CO.:1991/37)

Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

22. Categories of financial instruments

	Note(s)	Financial instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2019						
Assets						
Non-Current Assets						
Investment - FD		-	-	-	1,291,215	1,291,215
Property, plant and equipment	2	-	-	-	6,829	6,829
		-	-	-	1,298,044	1,298,044
Current Assets						
Current tax receivable		-	-	-	5,087	5,087
Trade and other receivables	4	3,855,031	-	-	1,232	3,856,263
Cash and cash equivalents	5	1,313,852	-	-	-	1,313,852
		5,168,883	-	-	6,319	5,175,202
Total Assets		5,168,883	-	-	1,304,363	6,473,246
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	6	-	-	-	10,000	10,000
Accumulated profit	6	-	-	-	3,829,528	3,829,528
		-	-	-	3,839,528	3,839,528
Total Equity		-	-	-	3,839,528	3,839,528
Liabilities						
Non-Current Liabilities						
Deferred tax	3	-	-	-	34,772	34,772
Current Liabilities						
Current tax payable		-	-	-	108,223	108,223
Trade and other payables	7	-	2,599,982	(264,678)	-	2,335,304
Provisions	8	-	-	-	109,169	109,169
Dividend payable		-	46,250	-	-	46,250
		-	2,646,232	(264,678)	217,392	2,598,946
Total Liabilities		-	2,646,232	(264,678)	252,164	2,633,718
Total Equity and Liabilities		-	2,646,232	(264,678)	4,091,692	6,473,246

Categories of financial instruments - 2018

Assets

Non-Current Assets

Investment - FD		-	-	-	1,251,324	1,251,324
Property, plant and equipment	2	-	-	-	12,955	12,955
		-	-	-	1,264,279	1,264,279

Rites (Afrika) (Proprietary) Limited

(Registration number: CO.:1991/37)

Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

22. Categories of financial instruments (continued)

	Note(s)	Financial instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Current Assets						
Current tax receivable		-	-	-	198	198
Trade and other receivables	4	989,803	-	-	40,536	1,030,339
Cash and cash equivalents	5	2,375,025	-	-	-	2,375,025
		3,364,828	-	-	40,734	3,405,562
Total Assets		3,364,828	-	-	1,305,013	4,669,841
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	6	-	-	-	10,000	10,000
Accumulated profit	6	-	-	-	3,496,526	3,496,526
		-	-	-	3,506,526	3,506,526
Total Equity		-	-	-	3,506,526	3,506,526
Liabilities						
Non-Current Liabilities						
Deferred tax	3	-	-	-	17,287	17,287
Current Liabilities						
Current tax payable		-	-	-	26,032	26,032
Trade and other payables	7	-	1,028,312	(104,485)	-	923,827
Provisions	8	-	-	-	149,919	149,919
Dividend payable		-	46,250	-	-	46,250
		-	1,074,562	(104,485)	175,951	1,146,028
Total Liabilities		-	1,074,562	(104,485)	193,238	1,163,315
Total Equity and Liabilities		-	1,074,562	(104,485)	3,699,764	4,669,841

Rites (Afrika) (Proprietary) Limited

(Registration number: CO.:1991/37)

Audited Financial Statements for the year ended 31 March, 2019

Notes to the Audited Financial Statements

Figures in Pula	2019	2018
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23. Going concern

The audited 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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these audited financial statements will remain in force for as long as it takes to restore the solvency of the company.

24. Events after the reporting period

The audited financial statements were authorised for issue on 25 April, 2019 by the board of directors of the company.

No events occurred between 31 March 2019 and the date the director approved the financial statements that would have a material impact on the results as disclosed in the financial statements or the continued existence of the company as a going concern.

Rites (Afrika) (Proprietary) Limited

(Registration number: CO.:1991/37)

Audited Financial Statements for the year ended 31 March, 2019

Detailed Income Statement

Figures in Pula	Note(s)	2019	2018
Revenue			
Rendering of services		10,669,559	8,115,577
Cost of sales			
Cost of services		(5,522,042)	(4,753,944)
Gross profit		5,147,517	3,361,633
Other income			
Rental income		82,040	96,364
Interest income - FD		39,444	32,324
Interest received on call		19,146	10,069
Other income		27,081	-
		167,711	138,757
Expenses (Refer to page 25)		(4,799,950)	(3,352,216)
Profit before taxation		515,278	148,174
Taxation	15	(132,276)	(34,388)
Profit for the year		383,002	113,786

Rites (Afrika) (Proprietary) Limited

(Registration number: CO.:1991/37)

Audited Financial Statements for the year ended 31 March, 2019


Detailed Income Statement

Figures in Pula	Note(s)	2019	2018
Operating expenses			
Accounting fees	16	(54,150)	(37,800)
Auditors remuneration		(75,000)	(75,000)
Bad debts		-	(224,003)
Bank charges		(17,972)	(8,399)
Cleaning		(3,998)	(1,881)
Computer expenses		(6,299)	(7,580)
Consulting and professional fees		-	(50,000)
Depreciation, amortisation and impairments		(6,126)	(20,376)
Employee costs		(2,572,304)	(1,584,893)
Director's remuneration		(604,897)	(662,922)
Office expenses		(72,034)	(35,669)
Corporate social responsibility		(6,500)	-
Training levy		(21,236)	(19,737)
License & permit		(47,901)	-
Tender fees		(500)	-
Insurance		(11,268)	-
Lease rentals on operating lease		(607,160)	(256,181)
Levies		(1,420)	-
Medical expenses		(188,308)	(36,804)
Motor vehicle expenses		(15,065)	(4,383)
Utilities		(8,817)	-
Petrol and oil		(77,485)	(6,023)
Postage		(1,985)	(1,500)
Printing and stationery		(10,567)	(9,482)
Entertainment & business promotions		(11,467)	(8,356)
Repairs and maintenance		(1,848)	(3,959)
Secretarial fees		(7,575)	(26,020)
Security		(250)	-
Staff welfare		(12,066)	(16,178)
Subscriptions		(27,510)	(58,114)
Telephone and fax		(39,729)	(19,487)
Travel - local		(288,513)	(177,469)
		(4,799,950)	(3,352,216)

Rites (Afrika) (Proprietary) Limited

BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2	6,829	12,955
FINANCIAL ASSETS			
OTHER FINANCIAL ASSETS	5.2	1,291,215	1,251,324
		1,298,044	1,264,279
CURRENT ASSETS			
FINANCIAL ASSETS			
TRADE RECEIVABLES	4.1	3,847,031	989,803
CASH AND CASH EQUIVALENTS-OWNED FUND	5.1	1,313,852	2,375,025
OTHER FINANCIAL ASSETS	4.2	8,000	-
OTHER CURRENT ASSETS	4.3	1,232	40,536
		5,170,115	3,405,364
		6,468,159	4,669,643
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	6	10,000	10,000
OTHER EQUITY		3,829,528	3,496,526
		3,839,528	3,506,526
LIABILITIES			
NON CURRENT LIABILITIES			
DEFERRED TAX LIABILITIES (NET)	3	34,772	17,287
		34,772	17,287
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	7.1	1,794,725	435,385
OTHER FINANCIAL LIABILITIES	7.2	443,562	412,055
PROVISIONS	8	109,169	149,919
CURRENT TAX LIABILITIES (NET)		103,136	25,834
OTHER CURRENT LIABILITIES	7.3	143,267	122,637
		2,593,859	1,145,830
		6,468,159	4,669,643
TOTAL EQUITY AND LIABILITIES			


MASS INTERNATIONAL
CHARTERED ACCOUNTANTS
 PLOT 163/164 UNIT 20
 MARKET GARDENS
 GABORONE INTERNATIONAL COMMERCE PARK
 P.O. BOX 404667, GABORONE
 TEL: 3937134 FAX: 3691010

3 DEFERRED TAX LIABILITIES (NET)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
DEFERRED INCOME TAX ASSETS	-	-
TOTAL DEFERRED INCOME TAX ASSETS - I	-	-
DEFERRED INCOME TAX LIABILITIES :		
LEAVE ENCASHMENT AND OTHER PROVISIONS	34,772	17,287
TOTAL DEFERRED INCOME TAX LIABILITIES - II	34,772	17,287
DEFERRED INCOME TAX LIABILITIES (NET)	(34,772)	(17,287)

4.1 CURRENT TRADE RECEIVABLES

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
TRADE RECEIVABLES CONSIDERED GOOD- SECURED	3,847,031.00	989,803.00
TRADE RECEIVABLES CONSIDERED GOOD- UNSECURED	-	-
TRADE RECEIVABLES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLES- CREDIT IMPAIRED	3,847,031.00	989,803.00
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	-	-
TOTAL	3,847,031.00	989,803.00

5 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
5.1 CASH AND CASH EQUIVALENTS		
CASH IN HAND	-	43910
BANK BALANCES IN :		
CURRENT ACCOUNTS	1313852	2331115
TOTAL	1313852	2375025
5.2 BANK BALANCE MORE THAN 12 MONTHS MATURITY		
DEPOSITS #	1291215	1251324
TOTAL	1291215	1251324

Having maturity over 12 months from reporting date.

4.2 OTHER CURRENT FINANCIAL ASSETS

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
SECURITY DEPOSITS	8,000	-
TOTAL	8,000	-

4.3 OTHER CURRENT ASSETS

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
PREPAID INSURANCE	1,232	2,188
EMPLOYEE COST IN ADVANCE	-	38,348
TOTAL	1,232	40,536

7.1 CURRENT TRADE PAYABLES

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
CREDITORS FOR SUPPLIES AND SERVICES	1794725	435385
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	1794725	435385
TOTAL	1794725	435385

7.2 OTHER CURRENT FINANCIAL LIABILITIES

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
SECURITY DEPOSITS	345,862	237,599
BITES INDIA CURRENT ACCOUNT	6,450	76,295
SUNDY CREDITORS	45,000	51,911
DIVIDEND PAYABLE	46,250	46,250
TOTAL	443,562	412,055

7.3 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
VAT	70,073	52,158
OTHER WITHHOLDING TAX PAYABLE (RENT)	2,402	2,408
WITHHOLDING TAX PAYABLE (SALARY)	67,042	60,571
WITHHOLDING TAX PAYABLE ON DIVIDEND	3,750	7,500
TOTAL	143,267	122,637

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PLOT 163/164 UNIT 20
MARKET GARDENS
GABORONE INTERNATIONAL COMMERC PARK
P.O. BOX 404657, GABORONE