THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2016

C Petersen
Professional Accountant (SA)
Registration No 6689

THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

LEGAL FORM AND COUNTRY OF INCORPORATION	:	Professional body registered in South Africa
INCOME TAX NUMBER	:	9135/267/18/6
NATURE OF BUSINESS	:	Professional body for rock engineering practitioners
BRANCH COMMITTEE	:	President - M du Plessis Vice President - JA Maritz Treasurer - F Essrich
BUSINESS ADDRESS	:	1 Stilfontein Road STILFONTEIN 2551
POSTAL ADDRESS	:	PO Box 463 STILFONTEIN 2551
EMPLOYEES	:	The average number of employees during the year was 1 (2015: 1).
BANKERS	:	Standard Bank Limited Account No 04 019 481 7
ACCOUNTING OFFICER	:	C Petersen Professional Accountant (SA) Registration No 6689

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

CONTENTS

APPROVAL

The financial statements which appear on pages 4 to 14 were approved and signed by the members on 06 September 2016.

M du Plessis

F Essrich

JA Maritz

REPORT OF THE ACCOUNTING OFFICER TO THE MEMBERS OF THE THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING

I have prepared the annual financial statements as set out on pages 4 to 12 for the year ended 30 June 2016 based on the information and explanations provided by the members of the professional body and according to the accounting records which I have completed and maintained from evidence and information provided to me. The annual financial statements are the responsibility of the professional body's members. I have compiled the annual financial statements.

I have determined that the financial statements are in agreement with the accounting records, and have done so by adopting such procedures and conducting such enquiries in relation to the accounting records as I considered necessary in the circumstances.

I have also reviewed the accounting policies which have been represented to me as having been applied in the preparation of the annual financial statements, and I consider that they are appropriate to the business of the professional body.

C PETERSEN
PROFESSIONAL ACCOUNTANT (SA)
REGISTRATION NO 6689

06 September 2016

THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	2016 R	2015 R
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	2	23,401.00	5,077.14
CURRENT ASSETS		1,384,897.70	1,048,411.85
Inventories	3	68,268.31	73,225.27
Accounts receivable	4	182,658.76	228,414.92
Cash and cash equivalents		1,133,970.63	746,771.66
TOTAL ASSETS		1,408,298.70	1,053,488.99
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Retained surplus		1,370,398.70	989,673.41
CURRENT LIABILITIES			
Accounts payable	5	37,900.00	63,815.58
TOTAL EQUITY AND LIABILITIES		1,408,298.70	1,053,488.99

THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 R	2015 R
GROSS REVENUE	6	8,451.66	33,570.00
COST OF SALES	7	8,261.96	25,319.31
GROSS PROFIT		189.70	8,250.69
OTHER INCOME	8	1,082,958.24	817,242.70
TOTAL INCOME		1,083,147.94	825,493.39
EXPENDITURE		727,494.97	767,012.26
Accounting officer's remuneration	9	47,560.31	23,263.28
Advertising and promotions		18,096.43	4,845.00
Award expenses		10,834.80	21,500.00
Bank charges		9,752.99	7,958.73
Bad debts		4,870.00	7,980.00
Commission paid		313.15	-
Computer expenses		1,094.70	500.00
Consulting fees		4,357.40	-
Depreciation		3,558.14	2,736.07
Donations		5,000.00	27,565.50
Employee benefits	10	73,876.44	74,664.25
Function expenses		120,151.51	124,031.40
Garden and cleaning services		400.00	-
General expenses		13,479.86	-
Magazines and journals		16,132.39	11,802.00
Meeting expenses		140,764.40	105,809.31
Office storage and removal		963.96	-
Printing, stationery and postage		9,306.81	2,970.25
Rental premises		18,790.74	12,000.00
Repairs and maintenance		26.70	-
Subscriptions		54,299.06	119,891.02
Symposium expenses		71,362.51	171,112.79
Telephone and fax		4,902.60	2,937.09
Travelling expenses		97,600.07	33,098.00
Website development		-	12,347.57
OPERATING PROFIT BEFORE INTEREST AND TAXATION		355,652.97	58,481.13
Interest received	11	25,072.61	28,456.26
Interest paid		0.29	-
NET SURPLUS		380,725.29	86,937.39

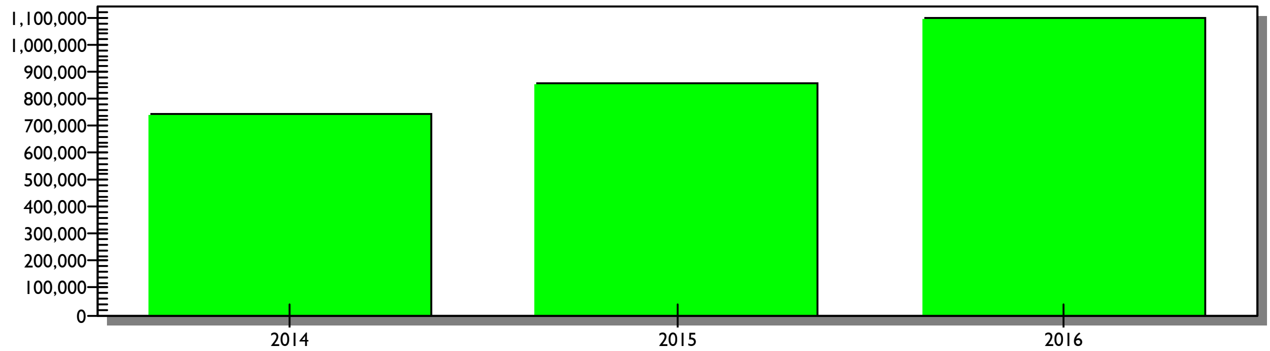
THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

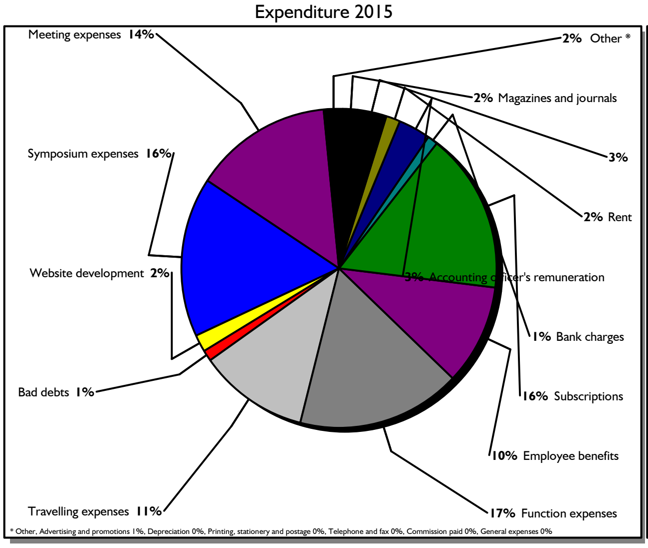
	Retained surplus	Total equity
Balance at 01 July 2014	902,736.02	902,736.02
Net surplus for the year	86,937.39	86,937.39
Balance at 01 July 2015	989,673.41	989,673.41
Net surplus for the year	380,725.29	380,725.29
Balance at 30 June 2016	1,370,398.70	1,370,398.70

GRAPHICAL REPRESENTATION:

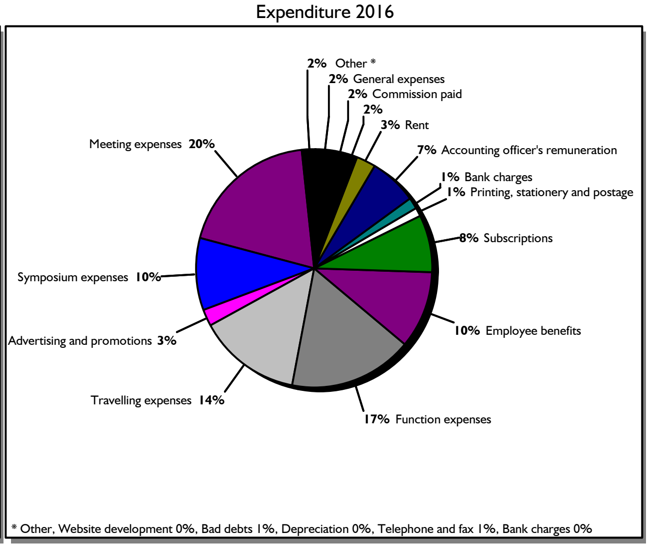
Total funds received



Expenditure 2015



Expenditure 2016



06 September 2016

THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 R	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES		409,080.97	9,267.99
Cash receipts from customers		1,137,166.06	705,274.78
Cash paid to suppliers and employees		(753,157.41)	(724,463.05)
Cash generated by/(utilised in) operating activities	13.1	384,008.65	(19,188.27)
Interest received		25,072.61	28,456.26
Interest paid		(0.29)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditure to maintain operating capacity			
Tangible assets acquired		(21,882.00)	-
Increase in cash and cash equivalents		387,198.97	9,267.99
Cash and cash equivalents at beginning of the year	13.2	746,771.66	737,503.67
Cash and cash equivalents at end of the year	13.2	1,133,970.63	746,771.66

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board. They are presented in the currency units (R) of South Africa.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate.

1.1 Tangible assets

Items of tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

All tangible assets are initially recorded at cost and adjusted for any impairment in value. Cost includes al costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation is calculated on the diminishing balance method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. Land is not depreciated.

The following rates are used for the depreciation of tangible assets:

- Furniture and fittings	10 years
- Office equipment	10 years
- Computer equipment	3 years

1.2 Impairment of non-current assets

At each balance sheet date, the carrying amounts of tangible and intangible assets and investments in associates are reviewed to determine whether there is any indication that those assests have suffered an impairment loss. If the fair value, less costs to sell, of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its fair value, less costs to sell. An impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its fair value less costs to sell, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis. Cost includes transport and handling cost.

1.4 Bank balance

The actual bank balance is shown. Outstanding cheques and deposits are included in creditors and debtors respectively.

1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the professional body and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Interest is recognised on a time proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

2. TANGIBLE ASSETS

	2016			2015		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Owned assets						
Furniture and fittings	14,909.10	13,079.08	1,830.02	14,909.10	11,692.28	3,216.82
Office equipment	16,660.99	904.15	15,756.84	2,463.99	603.67	1,860.32
Computer equipment	36,571.81	30,757.67	5,814.14	28,886.81	28,886.81	-
	68,141.90	44,740.90	23,401.00	46,259.90	41,182.76	5,077.14

The carrying amounts of tangible assets can be reconciled as follows:

2015	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
Owned assets				
Furniture and fittings	4,707.73	-	(1,490.91)	3,216.82
Office equipment	2,106.72	-	(246.40)	1,860.32
Computer equipment	998.76	-	(998.76)	-
	7,813.21	-	(2,736.07)	5,077.14

2016	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
Owned assets				
Furniture and fittings	3,216.82	-	(1,386.80)	1,830.02
Office equipment	1,860.32	14,197.00	(300.48)	15,756.84
Computer equipment	-	7,685.00	(1,870.86)	5,814.14
	5,077.14	21,882.00	(3,558.14)	23,401.00

3. INVENTORIES

The amounts attributable to the different categories are as follows:

	2016	2015
Merchandise	68,268.31	73,225.27

	2016	2015

4. ACCOUNTS RECEIVABLE

	2016	2015
Membership fees	169,906.75	188,212.42
Prepayments	-	38,802.50
Other receivables	12,752.01	1,400.00
	182,658.76	228,414.92

5. ACCOUNTS PAYABLE

	2016	2015
Trade payables	27,100.00	53,312.50
Accruals	10,800.00	10,503.08
	37,900.00	63,815.58

6. GROSS REVENUE

	2016	2015
Total revenue comprises:		
Sale of goods and services	8,451.66	33,570.00
Donations received	370,467.00	123,582.03
Function income	111,730.00	95,430.00
Income raffles	1,434.00	4,630.00
Interest income	25,072.61	28,456.26
Membership fees received	316,557.24	278,535.67
Membership fees recovered	530.00	-
Seminar and symposium income	239,210.00	291,065.00
Website advertisement income	43,030.00	24,000.00
	1,116,482.51	879,268.96

7. COST OF SALES

	2016	2015
Opening stock	73,225.27	84,042.14
Purchases	3,305.00	14,502.44
Closing stock	(68,268.31)	(73,225.27)
	8,261.96	25,319.31

8. OTHER INCOME

	2016	2015
Donations received	370,467.00	123,582.03
Functions	111,730.00	95,430.00
Income symposium and seminars	239,210.00	291,065.00
Membership fees received	316,557.24	278,535.67
Membership fees recovered	530.00	-
Raffle income	1,434.00	4,630.00
Website advertisement income	43,030.00	24,000.00
	1,082,958.24	817,242.70

9. ACCOUNTING OFFICER'S REMUNERATION

	2016	2015
Accounting fees	36,935.31	13,763.28
Accounting officer	10,625.00	9,500.00
	47,560.31	23,263.28

10. EMPLOYEE COSTS AND BENEFITS

	2016	2015
Salaries and wages	73,211.60	72,405.78
Unemployment Insurance Fund Contributions	664.84	708.47
Training	-	1,550.00
	73,876.44	74,664.25

11. INVESTMENT INCOME

	2016	2015
Interest income		
- Interest received	25,072.61	28,456.26

12. INCOME TAX EXPENSE

	2016	2015

No provision has been made for 2016 taxation as the professional body has been exempted from income tax.

13. NOTES TO THE CASH FLOW STATEMENT

13.1 Cash generated by/(utilised in) operating activities

	2016	2015
Net profit	380,725.29	86,937.39
Adjustments for:		
Depreciation	3,558.14	2,736.07
Investment income	(25,072.61)	(28,456.26)
Finance costs	0.29	-
	359,211.11	61,217.20
Movements in working capital		
Decrease in inventories	4,956.96	10,816.87
Decrease/(increase) in accounts receivable	45,756.16	(145,537.92)
(Decrease)/increase in accounts payable	(25,915.58)	54,315.58
	384,008.65	(19,188.27)

13.2 Cash and cash equivalents

	2016	2015
Cash and cash equivalents	1,133,970.63	746,771.66

THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING
REGISTER OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2016

	Date Purchased	Cost 01/07/2015	Accumulated Depreciation 01/07/2015	Carrying Value 01/07/2015	Additions (Disposals)	Depreciation	Profit (Loss) on Sale of Fixed Asset	Accumulated Depreciation 2016	Carrying Value 2016
FURNITURE AND FITTINGS		**14,909.10**	**11,692.28**	**3,216.82**	**-**	**1,386.80**	**-**	**13,079.08**	**1,830.02**
Furniture and fittings	01/07/10	12,393.49	11,258.25	1,135.24	-	1,135.24	-	12,393.49	-
Carpets	30/09/13	1,765.61	309.10	1,456.51	-	176.56	-	485.66	1,279.95
Blinds	31/10/13	750.00	124.93	625.07	-	75.00	-	199.93	550.07
OFFICE EQUIPMENT		**2,463.99**	**603.67**	**1,860.32**	**14,197.00**	**300.48**	**-**	**904.15**	**15,756.84**
Cupboard	09/12/11	2,164.01	542.18	1,621.83	-	216.40	-	758.58	1,405.43
Stationery containers	20/12/11	299.98	61.49	238.49	-	30.00	-	91.49	208.49
QTX Speaker QR15PA	14/06/16	-	-	-	7,999.00	37.15	-	37.15	7,961.85
Acer Projector X113 DLF	21/06/16	-	-	-	6,198.00	16.93	-	16.93	6,181.07
COMPUTER EQUIPMENT		**28,886.81**	**28,886.81**	**-**	**7,685.00**	**1,870.86**	**-**	**30,757.67**	**5,814.14**
Computer	01/07/10	23,353.37	23,353.37	-	-	-	-	23,353.37	-
Ion external drive	31/08/11	699.95	699.95	-	-	-	-	699.95	-
Dynax laptop	07/10/11	4,833.49	4,833.49	-	-	-	-	4,833.49	-
NB Ent dell E6420	07/10/15	-	-	-	6,790.00	1,657.30	-	1,657.30	5,132.70
NB Ent Transcend 1TB	13/10/15	-	-	-	895.00	213.56	-	213.56	681.44
TOTAL		**46,259.90**	**41,182.76**	**5,077.14**	**21,882.00**	**3,558.14**	**-**	**44,740.90**	**23,401.00**

INTEREST RECEIVED

Banking institutions	25,072.61

FUNCTION EXPENSES

Catering and refreshments	72,602.88
Gifts	22,516.95
Rental venue	23,200.00
	118,319.83

MEETING EXPENSES

Catering and refreshments	133,131.41
Rental venue	6,130.00
	139,261.41

SUBSCRIPTIONS

SAIMM	4,350.00
ISRM	51,981.62
	56,331.62

SYMPOSIUM EXPENSES

Gifts	9,407.51
Rental venue	61,955.00
	71,362.51