

# **THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**

*ANNUAL FINANCIAL STATEMENTS*

*FOR THE YEAR ENDED*

**30 JUNE 2017**

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

<b>LEGAL FORM AND COUNTRY OF INCORPORATION</b>	:	Professional body registered in South Africa
<b>INCOME TAX NUMBER</b>	:	9135/267/18/6
<b>NATURE OF BUSINESS</b>	:	Professional body for rock engineering practitioners
<b>BRANCH COMMITTEE</b>	:	President - J Martiz Vice President - N Ayres Treasurer - F Essrich
<b>BUSINESS ADDRESS</b>	:	1 Stilfontein Road STILFONTEIN 2551
<b>POSTAL ADDRESS</b>	:	PO Box 463 STILFONTEIN 2551
<b>EMPLOYEES</b>	:	The average number of employees during the year was 1 (2016: 1).
<b>BANKERS</b>	:	Standard Bank Limited Account No 04 019 481 7
<b>ACCOUNTING OFFICER</b>	:	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 2017

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

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The following supplementary schedules do not form part of the annual financial statements.

Fixed asset register	13
Sundry schedules	14

### APPROVAL

The financial statements which appear on pages 4 to 14 were approved and signed by the members on 19 September 2018.

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J Martiz

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F Essrich

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N Ayres

**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 2017 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**

**19 September 2018**

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	Notes	2017 R	2016 R
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Tangible assets	2	18,921.68	23,401.00
CURRENT ASSETS			
Inventories	3	1,143,321.36	1,382,877.70
Accounts receivable	4	57,263.01	68,268.31
Cash and cash equivalents		31,566.70	180,638.76
		1,054,491.65	1,133,970.63
<b>TOTAL ASSETS</b>		<u><u>1,162,243.04</u></u>	<u><u>1,406,278.70</u></u>
 <b>EQUITY AND LIABILITIES</b>			
EQUITY AND RESERVES			
Retained surplus		1,112,818.30	1,368,378.70
CURRENT LIABILITIES			
Accounts payable	5	49,424.74	37,900.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,162,243.04</u></u>	<u><u>1,406,278.70</u></u>

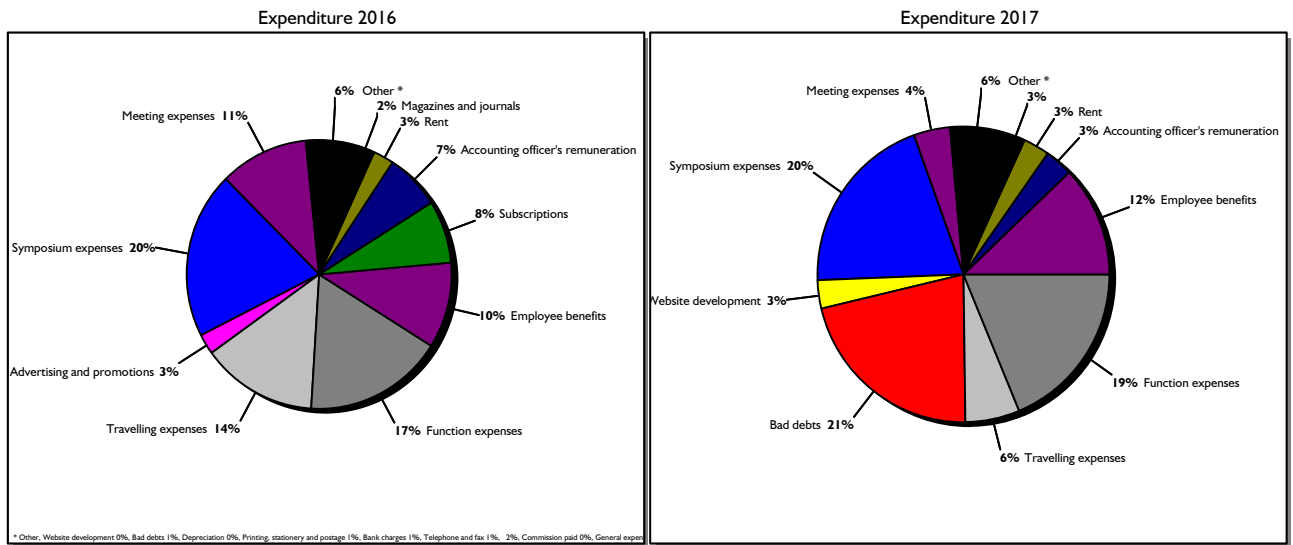
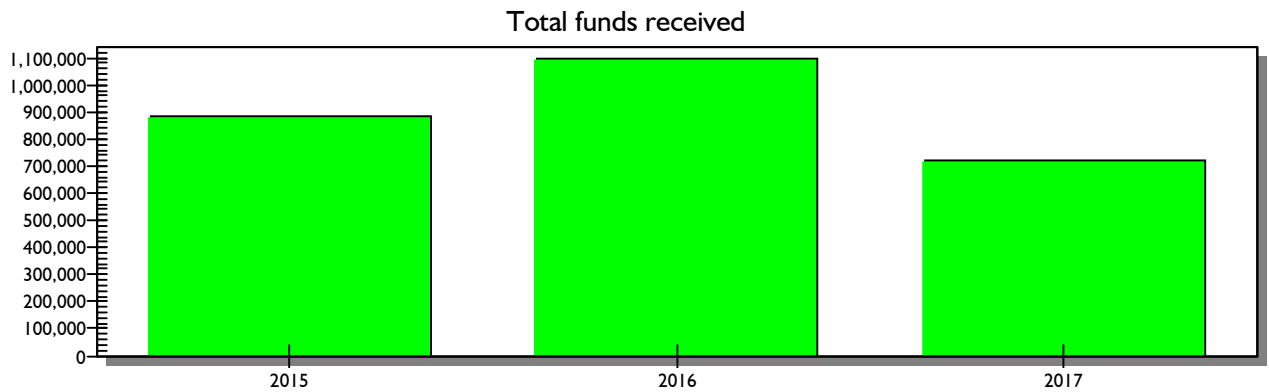
**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 R	2016 R
<b>GROSS REVENUE</b>	6	20,791.00	8,451.66
COST OF SALES	7	18,325.30	8,261.96
<b>GROSS PROFIT</b>		<u>2,465.70</u>	<u>189.70</u>
<b>OTHER INCOME</b>	8	693,514.04	1,080,938.24
<b>TOTAL INCOME</b>		695,979.74	1,081,127.94
<b>EXPENDITURE</b>		995,841.98	727,494.97
Accounting officer's remuneration	9	31,186.42	47,560.31
Advertising and promotions		9,447.57	18,638.43
Award expenses		25,231.00	10,834.80
Bank charges		9,448.75	9,752.99
Bad debts		212,032.75	4,870.00
Commission paid		318.37	313.15
Computer expenses		2,754.90	1,094.70
Consulting fees		-	4,357.40
Depreciation		4,479.32	3,558.14
Donations		1,000.00	5,000.00
Electricity and water		-	540.74
Employee benefits	10	120,160.24	73,876.44
Function expenses		184,056.06	120,151.51
Garden and cleaning services		1,917.51	400.00
Magazines and journals		9,250.00	16,132.39
Meeting expenses		39,351.40	78,730.40
Office storage and removal		-	963.96
Printing, stationery and postage		7,227.47	9,306.81
Rental premises		27,337.50	18,250.00
Repairs and maintenance		-	26.70
Subscriptions		12,136.94	54,299.06
Symposium expenses		202,608.86	146,334.37
Telephone and fax		6,234.51	4,902.60
Travelling expenses		58,848.21	97,600.07
Website development		30,814.20	-
<b>OPERATING (LOSS)/PROFIT BEFORE INTEREST AND TAXATION</b>		<u>(299,862.24)</u>	<u>353,632.97</u>
Interest received	11	44,301.84	25,072.61
Interest paid		-	0.29
<b>NET (DEFICIT)/SURPLUS</b>		<u><u>(255,560.40)</u></u>	<u><u>378,705.29</u></u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

	Retained surplus	Total equity
Balance at 01 July 2015	989,673.41	989,673.41
Net surplus for the year	378,705.29	378,705.29
Balance at 01 July 2016	1,368,378.70	1,368,378.70
Net deficit for the year	(255,560.40)	(255,560.40)
Balance at 30 June 2017	1,112,818.30	1,112,818.30

**GRAPHICAL REPRESENTATION:**



**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 R	2016 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		(79,478.98)	409,080.97
Cash receipts from customers		-	1,137,166.06
Cash paid to suppliers and employees		(123,780.82)	(753,157.41)
Cash (utilised in)/generated by operating activities	13.1	(123,780.82)	384,008.65
Interest received		44,301.84	25,072.61
Interest paid		-	(0.29)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Expenditure to maintain operating capacity</i>			
Tangible assets acquired		-	(21,882.00)
(Decrease)/increase in cash and cash equivalents		(79,478.98)	387,198.97
Cash and cash equivalents at beginning of the year	13.2	1,133,970.63	746,771.66
Cash and cash equivalents at end of the year	13.2	1,054,491.65	1,133,970.63

# THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### I. 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.

#### I.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 all 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

#### I.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 assets 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.

#### I.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.

#### I.4 Bank balance

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

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**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**

	2017			2016		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Furniture and fittings	14,909.10	13,330.64	1,578.46	14,909.10	13,079.08	1,830.02
Office equipment	16,660.99	2,570.25	14,090.74	16,660.99	904.15	15,756.84
Computer equipment	36,571.81	33,319.33	3,252.48	36,571.81	30,757.67	5,814.14
	<u>68,141.90</u>	<u>49,220.22</u>	<u>18,921.68</u>	<u>68,141.90</u>	<u>44,740.90</u>	<u>23,401.00</u>

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

2016	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
<i>Owned assets</i>				
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
	<u>5,077.14</u>	<u>21,882.00</u>	<u>(3,558.14)</u>	<u>23,401.00</u>

2017	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
<i>Owned assets</i>				
Furniture and fittings	1,830.02	-	(251.56)	1,578.46
Office equipment	15,756.84	-	(1,666.10)	14,090.74
Computer equipment	5,814.14	-	(2,561.66)	3,252.48
	<u>23,401.00</u>	<u>-</u>	<u>(4,479.32)</u>	<u>18,921.68</u>

**2017**

**2016**

**3. INVENTORIES**

The amounts attributable to the different categories are as follows:

Merchandise	<u>57,263.01</u>	<u>68,268.31</u>
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**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
<b>4. ACCOUNTS RECEIVABLE</b>		
Membership fees	12,900.00	169,906.75
Prepayments	15,566.70	-
Other receivables	<u>3,100.00</u>	<u>10,732.01</u>
	<u><u>31,566.70</u></u>	<u><u>180,638.76</u></u>
	<b>2017</b>	<b>2016</b>
<b>5. ACCOUNTS PAYABLE</b>		
Trade payables	22,275.00	27,100.00
Accruals	<u>27,149.74</u>	<u>10,800.00</u>
	<u><u>49,424.74</u></u>	<u><u>37,900.00</u></u>
	<b>2017</b>	<b>2016</b>
<b>6. GROSS REVENUE</b>		
Total revenue comprises:		
Sale of goods and services	20,791.00	8,451.66
Donations received	97,820.00	370,467.00
Function income	115,000.04	111,730.00
Income raffles	610.00	1,434.00
Interest income	44,301.84	25,072.61
Membership fees received	360,861.00	316,557.24
Membership fees recovered	7,463.00	530.00
Seminar and symposium income	94,750.00	237,190.00
Website advertisement income	<u>17,010.00</u>	<u>43,030.00</u>
	<u><u>758,606.88</u></u>	<u><u>1,114,462.51</u></u>
	<b>2017</b>	<b>2016</b>
<b>7. COST OF SALES</b>		
Opening stock	68,268.31	73,225.27
Purchases	7,320.00	3,305.00
Closing stock	<u>(57,263.01)</u>	<u>(68,268.31)</u>
	<u><u>18,325.30</u></u>	<u><u>8,261.96</u></u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
<b>8. OTHER INCOME</b>		
Donations received	97,820.00	370,467.00
Functions	115,000.04	111,730.00
Income symposium and seminars	94,750.00	237,190.00
Membership fees received	360,861.00	316,557.24
Membership fees recovered	7,463.00	530.00
Raffle income	610.00	1,434.00
Website advertisement income	17,010.00	43,030.00
	<u>693,514.04</u>	<u>1,080,938.24</u>
	<b>2017</b>	<b>2016</b>
<b>9. ACCOUNTING OFFICER'S REMUNERATION</b>		
Accounting fees	23,186.42	36,935.31
Accounting officer	8,000.00	10,625.00
	<u>31,186.42</u>	<u>47,560.31</u>
	<b>2017</b>	<b>2016</b>
<b>10. EMPLOYEE COSTS AND BENEFITS</b>		
Salaries and wages	110,560.91	73,211.60
Unemployment Insurance Fund Contributions	949.33	664.84
Training	2,500.00	8,037.00
Workmens Compensation Fund Contributions	6,150.00	-
	<u>120,160.24</u>	<u>81,913.44</u>
	<b>2017</b>	<b>2016</b>
<b>11. INVESTMENT INCOME</b>		
Interest income		
- Interest received	<u>44,301.84</u>	<u>25,072.61</u>
	<b>2017</b>	<b>2016</b>

**12. INCOME TAX EXPENSE**

No provision has been made for 2017 taxation as the professional body has been exempted from income tax.

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**13. NOTES TO THE CASH FLOW STATEMENT**

	<b>2017</b>	<b>2016</b>
<b>13.1 Cash (utilised in)/generated by operating activities</b>		
Net (loss)/profit	(255,560.40)	378,705.29
Adjustments for:		
Depreciation	4,479.32	3,558.14
Investment income	(44,301.84)	(25,072.61)
Finance costs	-	0.29
	<u>(295,382.92)</u>	<u>357,191.11</u>
Movements in working capital		
Decrease in inventories	11,005.30	4,956.96
Decrease in accounts receivable	149,072.06	47,776.16
Increase/(decrease) in accounts payable	11,524.74	(25,915.58)
	<u>(123,780.82)</u>	<u>384,008.65</u>
	<b>2017</b>	<b>2016</b>
<b>13.2 Cash and cash equivalents</b>		
Cash and cash equivalents	<u>1,054,491.65</u>	<u>1,133,970.63</u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**REGISTER OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2017**

	Date Purchased	Cost 01/07/2016	Accumulated Depreciation 01/07/2016	Carrying Value 01/07/2016	Additions (Disposals)	Depreciation	Profit (Loss) on Sale of Fixed Asset	Accumulated Depreciation 2017	Carrying Value 2017
<b>FURNITURE AND FITTINGS</b>		<b>14,909.10</b>	<b>13,079.08</b>	<b>1,830.02</b>	-	<b>251.56</b>	-	<b>13,330.64</b>	<b>1,578.46</b>
Furniture and fittings	01/07/10	12,393.49	12,393.49	-	-	-	-	12,393.49	-
Carpets	30/09/13	1,765.61	485.66	1,279.95	-	176.56	-	662.22	1,103.39
Blinds	31/10/13	750.00	199.93	550.07	-	75.00	-	274.93	475.07
<b>OFFICE EQUIPMENT</b>		<b>16,660.99</b>	<b>904.15</b>	<b>15,756.84</b>	-	<b>1,666.10</b>	-	<b>2,570.25</b>	<b>14,090.74</b>
Cupboard	09/12/11	2,164.01	758.58	1,405.43	-	216.40	-	974.98	1,189.03
Stationery containers	20/12/11	299.98	91.49	208.49	-	30.00	-	121.49	178.49
QTX Speaker QR15PA	14/06/16	7,999.00	37.15	7,961.85	-	799.90	-	837.05	7,161.95
Acer Projector XI13 DLF	21/06/16	6,198.00	16.93	6,181.07	-	619.80	-	636.73	5,561.27
<b>COMPUTER EQUIPMENT</b>		<b>36,571.81</b>	<b>30,757.67</b>	<b>5,814.14</b>	-	<b>2,561.66</b>	-	<b>33,319.33</b>	<b>3,252.48</b>
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	-
Dell E6420	07/10/15	6,790.00	1,657.30	5,132.70	-	2,263.33	-	3,920.63	2,869.37
Transcend ITB	13/10/15	895.00	213.56	681.44	-	298.33	-	511.89	383.11
<b>TOTAL</b>		<b>68,141.90</b>	<b>44,740.90</b>	<b>23,401.00</b>	-	<b>4,479.32</b>	-	<b>49,220.22</b>	<b>18,921.68</b>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**SCHEDULES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2017**

**INTEREST RECEIVED**

Banking institutions 44,301.84

**BAD DEBTS**

Written off August 2016 for previous years 165,866.75

Written off May 2017 46,190.00

212,056.75

**FUNCTION EXPENSES**

Catering and refreshments 114,051.18

General expenses 19,853.00

Gifts 29,586.38

Rental venue 20,565.50

184,056.06

**MEETING EXPENSES**

Catering and refreshments 37,932.00

Gifts 419.40

Rental venue 1,000.00

39,351.40

**SUBSCRIPTIONS**

SAIMM 145.00

ISRM 11,991.94

12,136.94

**SYMPOSIUM EXPENSES**

Catering and refreshments 20,561.50

Gifts 32,215.30

Rental venue 149,832.06

202,608.86