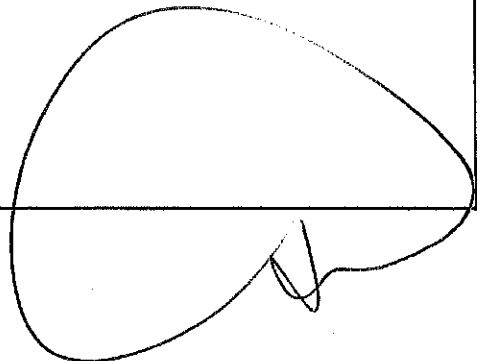


**THE SOUTH AFRICAN NATIONAL
INSTITUTE OF ROCK ENGINEERING**

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2020

A large, handwritten signature in black ink, appearing to be 'HDF', is written across the bottom right corner of the page. The signature is somewhat stylized and loops back to the left.

HDF

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

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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RESPONSIBILITIES AND APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 2 to 5 are the responsibility of the committee and the secretary.

The committee and the secretary are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets and for developing and maintaining a system of internal control that, among other things, will ensure the preparation of financial statements that will achieve fair presentation.

The responsible person, after conducting appropriate procedures, are satisfied that the association will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

The financial statements were approved by the President and the Secretary on 08 January 2020 and are signed by:



PRESIDENT



PAST PRESIDENT



TREASURER



HARRIS DOWDEN & FONTAINE CHARTERED ACCOUNTANTS (SA)

IRBA Registration No. 943703

7 Pam Road, Morningside, 2196
P O Box 651129, Benmore 2010
Telephone: (011) 884-7373 Fax: (011) 784-6992
E-Mail hdf@icon.co.za

R.T. Harris B.J. Dowden C.L.I. Fontaine

REPORT OF THE INDEPENDENT AUDITORS

To the members of

THE SOUTH AFRICAN INSTITUTE OF ROCK ENGINEERING

We have audited the attached financial statements for the period ended 30 June 2020. The financial statements are the responsibility of the Council of the Association, whilst our responsibility is to report thereon.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes :

- examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements;
- assessing the accounting principles used and significant estimates made by management;
- evaluating overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion the financial statements fairly present, in all material respects, the financial position of the association at 30 June 2020 and the results of its operations for the period then ended in accordance with appropriate bases of accounting as in note 1.

HARRIS DOWDEN & FONTAINE
Chartered Accountants (SA)
Registered Auditors
Per: RT Harris

SANDTON
08 January 2020

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

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020

	Notes	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>			
<u>NON - CURRENT ASSETS</u>			
Property, plant and equipment	4	-	4,738
<u>CURRENT ASSETS</u>			
Inventories		156,775	160,975
<u>Cash and cash equivalents</u>			
Current account		228,976	98,100
Investment		1,013,447	645,477
		1,242,423	743,577
<u>Debtors</u>			
Trade receivables		52,712	-
Branch districts		280,594	-
		333,306	-
		<u>1,732,504</u>	<u>909,290</u>
<u>ACCUMULATED FUNDS</u>			
Balance at 1 July 2019		877,691	743,096
Add: Surplus for the year		804,713	134,595
		1,682,404	877,691
<u>CURRENT LIABILITIES</u>			
<u>Creditors</u>			
Trade payables		50,100	31,599
		<u>1,732,504</u>	<u>909,290</u>

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	<u>2020</u>	<u>2019</u>
<u>INCOME</u>		1,954,261	741,306
Bad debts recovered		-	45,230
Branch district income	5	472,379	-
Events	6	295,950	-
Gross revenue received	7	734,612	361,286
Interest income		67,969	-
Membership fees received		349,950	307,110
Sundry income		33,401	27,680
<u>EXPENDITURE</u>		1,149,548	606,711
Accounting fees		3,431	47,015
Administration and management fees		360,928	18,000
Advertising and promotions		-	8,944
Audit fees	8	28,845	-
Bank charges		4,813	5,641
Branch district expenses	5	191,785	-
Computer expenses		-	3,361
Courier and postage		-	1,586
Depreciation		4,738	-
Donations		1,000	1,500
Employee benefits		-	139,215
Events	6	343,401	-
Entertainment, meeting and conference expenses		71,901	164,412
General expenses		-	50,977
Membership fees and ISRM annual costs		87,231	67,586
Newletter expenses		-	13,050
Printing and stationery		-	1,246
Reward branches		20,000	-
Stock written off		-	7,279
Strategic planning costs		28,771	-
Telephone and fax		2,704	3,985
Travel and Accomodation		-	72,914
Surplus transferred to accumulated funds		<u>804,713</u>	<u>134,595</u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis which is consistent with the prior year. The prior years figure's presented have been accepted without verification. However, there are a number of anomalies concerning allocations and acceptance of income and expenditure.

2 COMPARATIVE FIGURES

Certain comparative figures are not reflected as they were not readily available.

3 TAXATION

The Institute complies with the requirements of an association not for gain per section 10(1). For this reason taxation has not been provided.

During the current year the total gross income exceeds the requirement for vat registration and provided this level of income is to continue then vat registration is to be proceeded with.

4 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2020

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying value</u>
Furniture and fittings	14,909	14,909	-
Office equipment	4,063	4,063	-
Computer equipment	36,572	36,572	-
	<u>55,544</u>	<u>55,544</u>	<u>-</u>

30 JUNE 2019

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying value</u>
Furniture and fittings	14,909	13,582	1,327
Office equipment	4,063	1,343	2,720
Computer equipment	36,572	35,881	691
	<u>55,544</u>	<u>50,806</u>	<u>4,738</u>

5 PROFIT SHARE FROM BRANCHES

	<u>Income</u>	<u>Expenditure</u>	<u>Profit</u>
Gauteng branch	37,672	25,932	11,740
Bushveld branch	138,050	83,116	54,934
Freestate branch	88,975	6,500	82,475
Eastern district branch	149,184	50,291	98,893
Coal fields branch	58,498	25,946	32,552
	<u>472,379</u>	<u>191,785</u>	<u>280,594</u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

CONTINUED

6 SURPLUSES AND DEFICITS MADE ON FUNCTIONS

	<u>Income</u>	<u>Expenditure</u>	<u>Surplus / (Deficit)</u>
Banquet income	179,000	239,367	(60,367)
Practical exams	113,950	82,228	31,722
Rock pillar workshop	3,000	21,806	(18,806)
	<u>295,950</u>	<u>343,401</u>	<u>(47,451)</u>

7 GROSS REVENUE

	<u>2020</u>	<u>2019</u>
Advertisement income	12,000	36,000
AGM exhibition	-	8,000
Deep mining share - SAIMM	601,782	-
Eastern district sponsorship	850	111,409
Membership fees 2018	111,980	-
Practical registrations	-	111,700
Profit sharing - Branches	-	80,827
Sponsorship income	8,000	-
Symposium income	-	13,350
	<u>734,612</u>	<u>361,286</u>

8 AUDIT FEES

Current year	16,000	-
Prior year adjustment	12,845	-
	<u>28,845</u>	<u>-</u>