

**THE SOUTH AFRICAN NATIONAL
INSTITUTE OF ROCK ENGINEERING
ANNUAL FINANCIAL STATEMENTS**

30 JUNE 2021

HARRIS DOWDEN & FONTAINE
Registered Auditors
Issued on 03 September 2021

Paul Couto

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

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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RESPONSIBILITIES AND APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 3 to 6 are the responsibility of the committee and the secretary.

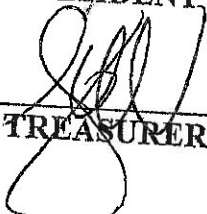
The committee and the secretary are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets and for developing and maintaining a system of internal control that, among other things, will 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 03 September 2021 and are signed by:



PRESIDENT



TREASURER

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PAST PRESIDENT



HARRIS DOWDEN & FONTAINE CHARTERED ACCOUNTANTS (SA)

IRBA Registration No. 943703

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P O Box 651129, Benmore 2010

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

Independent Auditors' Report

To the members of The South African National Institute of Rock Engineering

Opinion

We have audited the annual financial statements of The South African National Institute of Rock Engineering set out on pages 3 to 6, which comprise the statement of financial position as at 30 June 2021, statement of comprehensive income, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The South African National Institute of Rock Engineering as at 30 June 2021, and its financial performance for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

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 Annual Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual financial statements.

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Independent Auditors' Report

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 annual 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 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Going Concern

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

Harris Dowden & Fontaine
HARRIS DOWDEN & FONTAINE
Chartered Accountants (S A)
Registered Accountants and Auditors
Per CLI Fontaine

SANDTON
03 September 2021

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2021

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
<u>NON - CURRENT ASSETS</u>		
Property, plant and equipment	3 -	-
<u>CURRENT ASSETS</u>		
<u>Inventories</u>	123,810	156,775
<u>Cash and cash equivalent</u>	1,421,173	1,242,422
Current account	335,028	228,976
Cheque account	31,340	-
Investment	1,054,805	1,013,447
<u>Sundry Debtors</u>	209,908	333,306
Trade receivable	209,908	52,712
Branch districts	-	280,595
	<u>1,754,891</u>	<u>1,732,504</u>
<u>ACCUMULATED FUNDS</u>		
Balance at 1 July 2020	1,682,404	877,691
Add: Surplus for the year	10,146	804,712
	1,692,550	1,682,404
<u>CURRENT LIABILITIES</u>		
<u>Creditors</u> Trade payables	62,341	50,100
	62,341	50,100
	<u>1,754,891</u>	<u>1,732,504</u>

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	<u>2021</u>	<u>2020</u>
<u>INCOME</u>		784,280	1,954,260
Branch district income		-	472,379
Events	4	245,698	295,950
Gross revenue received	5	63,500	734,612
Interest income		34,782	67,969
Membership fees received		437,500	349,950
Sundry income		2,800	33,401
<u>EXPENDITURE</u>		774,134	1,149,548
Accounting officer's remuneration		-	3,431
AGM expenses		21,584	-
Administration and management fees		484,360	360,928
Award and prizes		1,500	-
Audit fees	6	22,640	28,845
Bad debts		9,650	-
Bank charges		2,710	4,815
Branch district expenses		-	191,784
Consulting fees		2,970	-
Cost of sales		19,465	-
Council gifts		8,407	-
Depreciation		-	4,738
Donations		-	1,000
Editing costs		1,000	-
Entertainments, meeting and conference expenses		30,100	71,901
Events	4	33,500	343,401
General expenses		10,891	-
ISRM Annual costs		77,882	87,231
Newsletter expenses		2,600	-
Reward branches		15,000	20,000
SCO Practical expenses		3,833	-
Strategic planning costs		-	28,771
Telephone and fax		-	2,704
Website design expenses		26,042	-
Surplus transferred to accumulated funds		<u>10,146</u>	<u>804,712</u>

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis which is consistent with the prior year.

2 TAXATION

The institute complies with the requirements of an association not for gain as 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.

3 PROPERTY, PLANT AND EQUIPMENT

	<u>30 JUNE 2021</u>		
	<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>

	<u>30 JUNE 2020</u>		
	<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>

4 SURPLUSES AND DEFICITS MADE ON FUNCTIONS

	<u>Income</u>	<u>Expenditure</u>	<u>Surplus / (Deficit)</u>
Banquet income	69,000	-	69,000
Practical exams	15,000	-	15,000
Rock pillar workshop	161,698	(33,500)	128,198
	<u>245,698</u>	<u>(33,500)</u>	<u>212,198</u>

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
CONTINUED**

5 GROSS REVENUE

	<u>2021</u>	<u>2020</u>
Advertisement income	4,000	12,000
AGM exhibition	19,000	-
Deep mining share - SAIMM	-	601,782
Eastern district sponsorship	12,000	850
Membership fees 2019	-	111,980
Profit sharing - Branches	-	-
Sponsorship income	23,500	8,000
Shortcrete webinar	5,000	-
	<u>63,500</u>	<u>734,612</u>

6 AUDIT FEES

Current year	20,240	16,000
Prior year adjustment	2,400	12,845
	<u>22,640</u>	<u>28,845</u>

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