

1 September 2021

Harris Dowden & Fontaine  
P O Box 651129  
BENMORE  
2010

Dear Sirs

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**AUDIT REPRESENTATION LETTER – 30 JUNE 2021**

We confirm to the best of our knowledge and belief, the following representations made to you during your examination of the financial statements of the Association for the year ended 30 June 2021 for the purpose of expressing an opinion as to whether the financial statements fairly present the financial position, results of operations and changes in financial position of the Association in conformity with International Financial Reporting Standards (IFRS).

***Preparation and fair presentation of financial statements***

We acknowledge that the Members are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The financial statements have been approved by the Members and we believe they are fairly presented in accordance with IFRS.

***Accounting policies***

We confirm that we have reviewed the Association's accounting policies and, having regard to possible alternative policies, our selection and application of accounting policies used for the preparation and presentation of the financial statements is appropriate to give a fair presentation of the Association's financial position, financial performance and cash flows.

***Disclosure of information***

We have made available to you:

- all minutes of the meetings of members and members (or summaries of actions of recent meetings for which minutes have not yet been prepared).
- financial records, contracts and related data;
- information regarding significant transactions and arrangements that are outside of the normal course of business;
- other information relevant to the audit.

We are not aware of any accounts or transactions not fairly described and properly recorded in the financial and accounting records underlying the financial statements.

All disclosures necessary for a fair presentation and as required by the applicable laws and regulations have been made in the financial statements and International Financial Reporting Standards have been consistently applied.

***Compliance with laws and regulations***

We have disclosed to you all known actual or possible non-compliance with laws and regulations and considered the effects thereof when preparing financial statements.

There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance that has not been disclosed in the financial statements.

There has been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

We are aware that our responsibility for ensuring compliance with laws and regulations includes compliance with the following acts:

- The Financial Intelligence Centre Act, 2001 (FICA).
- The Prevention of Organised Crime Act, 1998.
- Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA).
- The Protection of Constitutional Democracy Against Terrorist and Related Activities Act No 33 of 2004 (POCDATARA).

We are not aware of any non-compliance.

***Irregularities***

We are not aware of:

- Any irregularities involving management or employees who have significant roles in the system of internal accounting control which could have a material effect on the financial statements; or
- Any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

***Contractual agreements:***

The Association has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.

***Accounting estimates:***

We confirm that significant assumptions used by us in making accounting estimates, including fair value accounting estimates, are reasonable.

We confirm the following regarding the measurement of fair values for all assets and liabilities, both recorded and disclosed in the financial statements:

- Appropriate measurement methods, including related assumptions, were used in determining fair values;
- Measurement methods were consistently applied from year to year and for like items;
- Complete and appropriate disclosure was made regarding fair values in terms of the requirements of IFRS;
- Events that occurred between the statement of financial position date and the date of approval of the financial statements did not necessitate adjustment to the fair value measurements and disclosures included in the financial statements.

***Related parties:***

We confirm the completeness of information provided to you regarding the identification of related parties as defined by IFRS and information regarding transactions with such parties.

The identity of, and balances and transactions with, related parties have been properly recorded and adequately disclosed in the financial statements as required by IFRS.

Transactions or agreements with members and members were in the ordinary course of business and on an arm's length basis.

***Going concern:***

- The financial statements disclose all matters of which we are currently aware that are relevant to the Association's ability to continue as a going concern.
- We confirm that no decision has been made to terminate the Association's operations within the next 12 months.

Provision has been made for:

All liabilities (other than contingent liabilities in respect of which no actual liability is expected to arise) which existed at 30 June 2021 (year end);

All losses expected to arise from events, which had occurred by year end.

***Encumbrances:***

None of the liabilities was at the year end secured otherwise than by the operation of law, on any assets of the Association, and the assets at year end were then owned by the Association free of any charge in favour of third parties.

***Contingent liabilities and commitments:***

At the financial year end there were no material:

- Contingent liabilities including potential liabilities under claims or pending or threatened litigation;
- Commitments under contracts placed for capital expenditure;
- Amounts of capital expenditure authorised by the members which have not been contracted for.

***Assets and liabilities:***

The amount stated as accounts receivable at year end represents bona fide claims against debtors arising on or before that date. These balances are not subject to discount and are collectable within one year from year end.

The financial statements include all cash and bank accounts, and all other assets of the Association required to be included therein and the Association has satisfactory title to all recorded assets.

We have recorded and disclosed all liabilities in accordance with IFRS.

We confirm that we have carried out impairment reviews, including an assessment of impairment indicators where an impairment test is not mandatory. We confirm that we have used appropriate assumptions in completing these reviews.

***Revenue recognition:***

All income which arose up to year end has been brought into account.

***Fraud:***

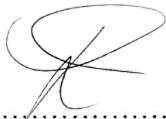
We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the Association's financial statements, communicated by employees, former employees, analysts, regulators or others.

***Events after the financial year end:***

We have identified all events that occurred between the financial position date and the date of approval of the financial statements that may require adjustment of, or disclosure in, the financial statements, and have effected such adjustment or disclosure.

Yours faithfully



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PRESIDENT  
THE SOUTH AFRICAN NATIONAL  
INSTITUTE OF ROCK ENGINEERING