

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

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2022

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

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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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 21 February 2023 and are signed by:

PRESIDENT

Sifiso Mashile 03/04/2023

TREASURER



PAST PRESIDENT



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 (Institute) set out on pages 3 to 6, which comprise the statement of financial position as at 30 June 2022, 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 Engineers as at 30 June 2022, 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 and the policies adopted by the Institute.

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.

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 Institute 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 Institute 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 Institute.

Harris Dowden & Fontaine

HARRIS DOWDEN & FONTAINE

Registered Auditors

Per C L Fontaine

21 February 2023
SANDTON

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

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

		<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
<u>NON - CURRENT ASSETS</u>			
Property, plant and equipment	3	-	-
<u>CURRENT ASSETS</u>			
<u>Inventories</u>		126,580	123,810
<u>Cash and cash equivalent</u>		1,442,193	1,421,173
Current account		340,886	335,028
Cheque account		(246)	31,340
Investment		1,101,553	1,054,805
<u>Sundry Debtors</u>		517,920	209,908
Trade receivables		390,145	209,908
Prepayments		127,775	-
		<u>2,086,693</u>	<u>1,754,891</u>
<u>ACCUMULATED FUNDS</u>			
Balance at 1 July 2021		1,468,458	1,692,550
Less: (Deficit)/surplus for the year		1,692,550	1,682,404
		(224,092)	10,146
<u>CURRENT LIABILITIES</u>			
<u>Creditors</u>		618,235	62,341
Income received in advance		541,500	-
Trade and other payables		76,735	62,341
		<u>2,086,693</u>	<u>1,754,891</u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	<u>2022</u>	<u>2021</u>
<u>INCOME</u>		1,207,792	784,280
Branch district income	4	90,950	-
Events	5	559,584	245,698
Gross revenue	6	-	63,500
Interest income		46,748	34,782
Membership fees		456,010	437,500
Newsletter sales		37,800	-
Sundry income		16,700	2,800
<u>EXPENDITURE</u>		1,431,884	774,134
AGM expenses		-	21,584
Administration and management fees		567,989	484,360
Award and prizes		3,640	1,500
Audit fees	7	28,750	22,640
Bad debts		57,390	9,650
Bank charges		5,736	2,710
Branch district expenses	4	133,647	-
Consulting fees		-	2,970
Cost of sales		-	19,465
Council gifts		7,452	8,407
Courier Fees		1,288	-
Editing costs		-	1,000
Entertainment, meeting and conference expenses		42,167	30,100
Events	5	336,637	37,333
General expenses		23,260	10,891
ISRM Annual costs		143,809	77,882
Newsletter expenses		-	2,600
Reward branches		-	15,000
Seminar and workshop costs		36,354	-
Stock variance		(1,370)	-
Travel and accommodation		1,598	-
Website design expenses		43,537	26,042
(Deficit)/surplus transferred to accumulated funds		<u>(224,092)</u>	<u>10,146</u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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) of the Income Tax Act. For this reason taxation has not been provided.

During the current year the total gross income exceeded the requirement for VAT registration. Provided this level of income continues then VAT registration will be proceeded with.

3 PROPERTY, PLANT AND EQUIPMENT

	<u>30 JUNE 2022</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 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>

4 BRANCH DISTRICT INCOME AND EXPENSES

	<u>30 JUNE 2022</u>		
	<u>Income</u>	<u>Expenditure</u>	<u>Surplus</u>
Coal fields	5,000	16,005	(11,005)
Eastern district	50,450	56,349	(5,899)
Free vaal district	10,000	26,321	(16,321)
Gauteng branch	15,000	11,468	3,532
Western bushveld branch	10,500	23,504	(13,004)
	<u>90,950</u>	<u>133,647</u>	<u>(42,697)</u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
CONTINUED

5 SURPLUSES AND DEFICITS MADE ON FUNCTIONS

	<u>30 JUNE 2022</u>		
	<u>Income</u>	<u>Expenditure</u>	<u>Surplus</u>
Breaking new ground event	78,634	80,197	(1,563)
Golf day	165,000	105,564	59,436
Practical exams	247,600	150,876	96,724
Symposium virtual	68,350	-	68,350
	<u>559,584</u>	<u>336,637</u>	<u>222,947</u>

	<u>30 JUNE 2021</u>		
	<u>Income</u>	<u>Expenditure</u>	<u>Surplus</u>
Calendar sales	26,000	-	26,000
Practical exams	58,000	3,833	54,167
Slope stability seminar	161,698	33,500	128,198
	<u>245,698</u>	<u>37,333</u>	<u>208,365</u>

6 GROSS REVENUE

	<u>2022</u>	<u>2021</u>
Advertising income	-	4,000
AGM exhibition	-	19,000
Eastern district sponsorship	-	12,000
Sponsorship income	-	23,500
Shortcrete webinar	-	5,000
	<u>-</u>	<u>63,500</u>

7 AUDIT FEES

Current year	20,240	20,240
Prior year adjustment	-	2,400
	<u>20,240</u>	<u>22,640</u>