

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

## *ANNUAL FINANCIAL STATEMENTS*

*FOR THE YEAR ENDED*

**30 JUNE 2015**

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

<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 - WC Joughin Vice President - M du Plessis 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 (2014: 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

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

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 27 November 2015.

\_\_\_\_\_  
WC Joughin

\_\_\_\_\_  
F Essrich

\_\_\_\_\_  
M du Plessis

**REPORT OF THE ACCOUNTING OFFICER TO THE MEMBERS OF 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 2015 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**

**27 November 2015**

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

	Notes	2015 R	2014 R
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Tangible assets	2	5,077.14	7,813.21
CURRENT ASSETS			
Inventories	3	73,225.27	84,042.14
Accounts receivable	4	228,414.92	82,877.00
Cash and cash equivalents		746,771.66	737,503.67
<b>TOTAL ASSETS</b>		<b>1,053,488.99</b>	<b>912,236.02</b>
 <b>EQUITY AND LIABILITIES</b>			
EQUITY AND RESERVES			
Retained surplus		989,673.41	902,736.02
CURRENT LIABILITIES			
Accounts payable	5	63,815.58	9,500.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,053,488.99</b>	<b>912,236.02</b>

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 R	2014 R
<b>GROSS REVENUE</b>	6	33,570.00	48,110.00
COST OF SALES	7	25,319.31	17,108.34
<b>GROSS PROFIT</b>		<u>8,250.69</u>	<u>31,001.66</u>
<b>OTHER INCOME</b>	8	817,242.70	657,008.40
<b>TOTAL INCOME</b>		825,493.39	688,010.06
<b>EXPENDITURE</b>		767,012.26	666,343.25
Accounting officer's remuneration	9	23,263.28	16,753.44
Advertising and promotions		4,845.00	4,080.00
Award expenses		21,500.00	4,052.64
Bank charges		7,958.73	9,060.55
Bad debts		7,980.00	11,280.00
Commission paid		-	1,368.23
Computer expenses		500.00	1,897.50
Depreciation		2,736.07	6,683.69
Donations		27,565.50	-
Employee benefits	10	74,664.25	78,414.07
Farewell expenses		-	1,500.00
Function expenses		124,031.40	129,575.97
Magazines and journals		11,802.00	62,366.61
Meeting expenses		105,809.31	97,189.05
Office storage and removal		-	2,670.69
Printing, stationery and postage		2,970.25	4,912.85
Rental premises		12,000.00	11,283.17
Subscriptions		119,891.02	56,331.62
Symposium expenses		171,112.79	130,478.96
Telephone and fax		2,937.09	3,957.21
Travelling expenses		33,098.00	32,487.00
Website development		12,347.57	-
<b>OPERATING PROFIT BEFORE INTEREST AND TAXATION</b>		58,481.13	21,666.81
Interest received	11	28,456.26	21,826.58
<b>NET SURPLUS</b>		<u><u>86,937.39</u></u>	<u><u>43,493.39</u></u>

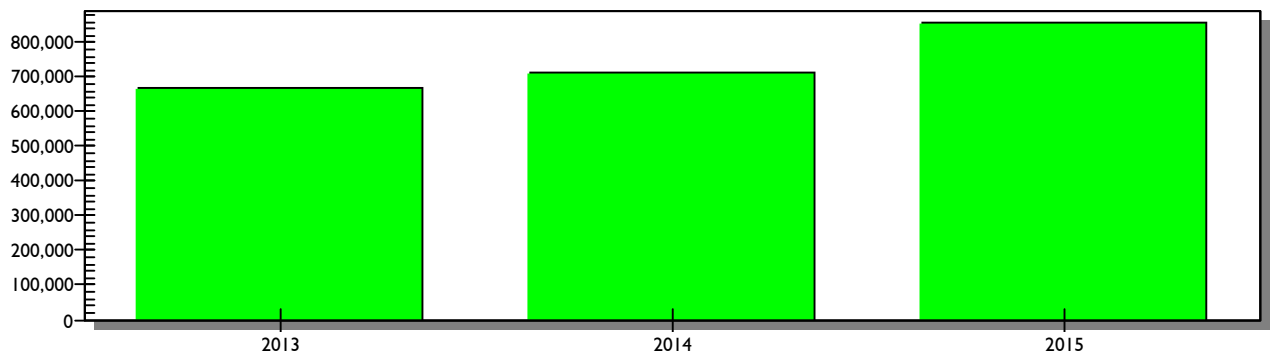
# SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

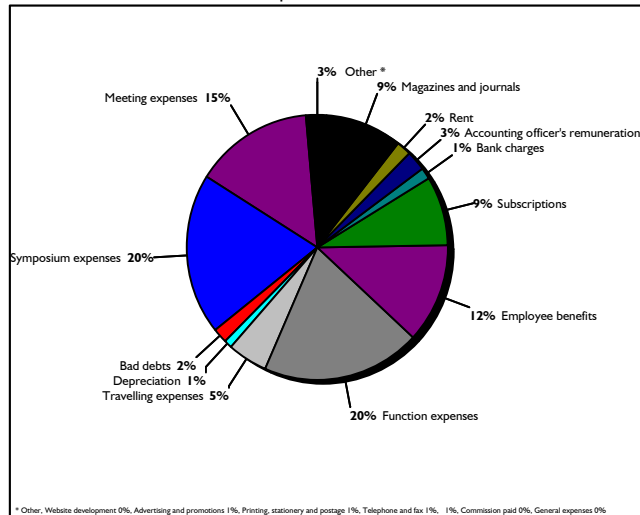
	Retained surplus	Total equity
Balance at 01 July 2013	859,242.63	859,242.63
Net surplus for the year	43,493.39	43,493.39
Balance at 01 July 2014	902,736.02	902,736.02
Net surplus for the year	86,937.39	86,937.39
Balance at 30 June 2015	989,673.41	989,673.41

### GRAPHICAL REPRESENTATION:

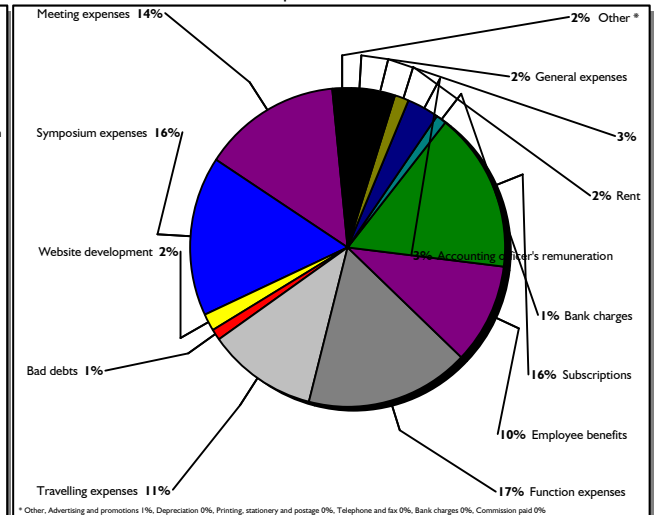
Total funds received



Expenditure 2014



Expenditure 2015



**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 R	2014 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		9,267.99	(58,079.93)
Cash receipts from customers		705,274.78	631,989.40
Cash paid to suppliers and employees		(724,463.05)	(711,895.91)
Cash utilised in operating activities	13.1	(19,188.27)	(79,906.51)
Interest received		28,456.26	21,826.58
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Expenditure to maintain operating capacity</i>			
Tangible assets acquired		-	(2,515.61)
Increase/(decrease) in cash and cash equivalents		9,267.99	(60,595.54)
Cash and cash equivalents at beginning of the year	13.2	737,503.67	798,099.21
Cash and cash equivalents at end of the year	13.2	746,771.66	737,503.67



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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

### **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.

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**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**

	2015			2014		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Furniture and fittings	14,909.10	11,692.28	3,216.82	14,909.10	10,201.37	4,707.73
Office equipment	2,463.99	603.67	1,860.32	2,463.99	357.27	2,106.72
Computer equipment	28,886.81	28,886.81	-	28,886.81	27,888.05	998.76
	<u>46,259.90</u>	<u>41,182.76</u>	<u>5,077.14</u>	<u>46,259.90</u>	<u>38,446.69</u>	<u>7,813.21</u>

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

2014	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
<i>Owned assets</i>				
Furniture and fittings	3,613.94	2,515.61	(1,421.82)	4,707.73
Office equipment	2,106.72	-	-	2,106.72
Computer equipment	6,260.63	-	(5,261.87)	998.76
	<u>11,981.29</u>	<u>2,515.61</u>	<u>(6,683.69)</u>	<u>7,813.21</u>

2015	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
<i>Owned assets</i>				
Furniture and fittings	4,707.73	-	(1,490.91)	3,216.82
Office equipment	2,106.72	-	(246.40)	1,860.32
Computer equipment	998.76	-	(998.76)	-
	<u>7,813.21</u>	<u>-</u>	<u>(2,736.07)</u>	<u>5,077.14</u>

**2015**

**2014**

**3. INVENTORIES**

The amounts attributable to the different categories are as follows:

Merchandise	<u>73,225.27</u>	<u>84,042.14</u>
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**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
<b>4. ACCOUNTS RECEIVABLE</b>		
Membership fees	188,212.42	82,227.00
Prepayments	38,802.50	-
Other receivables	<u>1,400.00</u>	<u>650.00</u>
	<u><u>228,414.92</u></u>	<u><u>82,877.00</u></u>
	<b>2015</b>	<b>2014</b>
<b>5. ACCOUNTS PAYABLE</b>		
Trade payables	53,312.50	-
Accruals	<u>10,503.08</u>	<u>9,500.00</u>
	<u><u>63,815.58</u></u>	<u><u>9,500.00</u></u>
	<b>2015</b>	<b>2014</b>
<b>6. GROSS REVENUE</b>		
Total revenue comprises:		
Sale of goods and services	33,570.00	48,110.00
Donations received	123,582.03	100,520.00
Function income	95,430.00	102,224.40
Income raffles	4,630.00	1,795.00
Interest income	28,456.26	21,826.58
Membership fees received	278,535.67	266,071.00
Membership fees recovered	-	3,448.00
Seminar and symposium income	291,065.00	182,950.00
Website advertisement income	<u>24,000.00</u>	<u>-</u>
	<u><u>879,268.96</u></u>	<u><u>726,944.98</u></u>
	<b>2015</b>	<b>2014</b>
<b>7. COST OF SALES</b>		
Opening stock	84,042.14	95,663.53
Purchases	14,502.44	5,486.95
Closing stock	<u>(73,225.27)</u>	<u>(84,042.14)</u>
	<u><u>25,319.31</u></u>	<u><u>17,108.34</u></u>

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
<b>8. OTHER INCOME</b>		
Donations received	123,582.03	100,520.00
Functions	95,430.00	102,224.40
Income symposium and seminars	291,065.00	182,950.00
Membership fees received	278,535.67	266,071.00
Membership fees recovered	-	3,448.00
Raffle income	4,630.00	1,795.00
Website advertisement income	<u>24,000.00</u>	<u>-</u>
	<u><u>817,242.70</u></u>	<u><u>657,008.40</u></u>
	<b>2015</b>	<b>2014</b>
<b>9. ACCOUNTING OFFICER'S REMUNERATION</b>		
Accounting fees	13,763.28	7,253.44
Accounting officer	<u>9,500.00</u>	<u>9,500.00</u>
	<u><u>23,263.28</u></u>	<u><u>16,753.44</u></u>
	<b>2015</b>	<b>2014</b>
<b>10. EMPLOYEE COSTS AND BENEFITS</b>		
Salaries and wages	72,405.78	76,143.06
Unemployment Insurance Fund Contributions	708.47	721.01
Training	<u>1,550.00</u>	<u>1,550.00</u>
	<u><u>74,664.25</u></u>	<u><u>78,414.07</u></u>
	<b>2015</b>	<b>2014</b>
<b>11. INVESTMENT INCOME</b>		
Interest income		
- Interest received	<u>28,456.26</u>	<u>21,826.58</u>
	<b>2015</b>	<b>2014</b>
<b>12. INCOME TAX EXPENSE</b>		

No provision has been made for 2015 taxation as the professional body has been exempted from income tax.

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

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

	<b>2015</b>	<b>2014</b>
<b>13.1 Cash utilised in operating activities</b>		
Net profit	86,937.39	43,493.39
Adjustments for:		
Depreciation	2,736.07	6,683.69
Investment income	<u>(28,456.26)</u>	<u>(21,826.58)</u>
	61,217.20	28,350.50
Movements in working capital		
Decrease in inventories	10,816.87	11,621.39
Increase in accounts receivable	(145,537.92)	(34,256.17)
Increase/(decrease) in accounts payable	<u>54,315.58</u>	<u>(85,622.23)</u>
	<u>(19,188.27)</u>	<u>(79,906.51)</u>
	<b>2015</b>	<b>2014</b>
<b>13.2 Cash and cash equivalents</b>		
Cash and cash equivalents	<u>746,771.66</u>	<u>737,503.67</u>

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**REGISTER OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2015**

	Date Purchased	Cost 01/07/2014	Accumulated Depreciation 01/07/2014	Carrying Value 01/07/2014	Additions (Disposals)	Depreciation	Profit (Loss) on Sale of Fixed Asset	Accumulated Depreciation 2015	Carrying Value 2015
<b>FURNITURE AND FITTINGS</b>		<b>12,393.49</b>	<b>10,201.37</b>	<b>2,192.12</b>	<b>2,515.61</b>	<b>1,490.91</b>	<b>-</b>	<b>11,692.28</b>	<b>3,216.82</b>
Furniture and fittings	01/07/10	12,393.49	10,018.90	2,374.59	-	1,239.35	-	11,258.25	1,135.24
Carpets	30/09/13	-	132.54	(132.54)	1,765.61	176.56	-	309.10	1,456.51
Blinds	31/10/13	-	49.93	(49.93)	750.00	75.00	-	124.93	625.07
<b>OFFICE EQUIPMENT</b>		<b>2,463.99</b>	<b>357.27</b>	<b>2,106.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>357.27</b>	<b>2,106.72</b>
Cupboard	09/12/11	2,164.01	325.78	1,838.23	-	-	-	325.78	1,838.23
Stationery containers	20/12/11	299.98	31.49	268.49	-	-	-	31.49	268.49
<b>COMPUTER EQUIPMENT</b>		<b>28,886.81</b>	<b>27,888.05</b>	<b>998.76</b>	<b>-</b>	<b>998.76</b>	<b>-</b>	<b>28,886.81</b>	<b>-</b>
Computer	01/07/10	23,353.37	23,353.37	-	-	-	-	23,353.37	-
Ion external drive	31/08/11	699.95	598.26	101.69	-	101.69	-	699.95	-
Dynax laptop	07/10/11	4,833.49	3,936.42	897.07	-	897.07	-	4,833.49	-
<b>TOTAL</b>		<b>43,744.29</b>	<b>38,446.69</b>	<b>5,297.60</b>	<b>2,515.61</b>	<b>2,489.67</b>	<b>-</b>	<b>40,936.36</b>	<b>5,323.54</b>

**SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**SCHEDULES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2015**

**INTEREST RECEIVED**

Banking institutions	<u>28,456.26</u>
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**FUNCTION EXPENSES**

Catering and refreshments	41,613.50
Gifts	37,957.90
Rental venue	<u>44,460.00</u>
	<u>124,031.40</u>

**MEETING EXPENSES**

Catering and refreshments	96,501.05
Rental venue	<u>9,308.26</u>
	<u>105,809.31</u>

**SUBSCRIPTIONS**

SAIMM	4,350.00
ISRM	<u>51,981.62</u>
	<u>56,331.62</u>

**SYMPOSIUM EXPENSES**

Catering and refreshments	18,099.00
Gifts	23,274.65
Printing and stationery	16,717.14
Rental venue	<u>63,022.00</u>
	<u>121,112.79</u>