

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

*ANNUAL FINANCIAL STATEMENTS*

*FOR THE YEAR ENDED*

**30 JUNE 2018**

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

<b>LEGAL FORM AND COUNTRY OF INCORPORATION</b>	:	Professional body registered in South Africa
<b>INCOME TAX NUMBER</b>	:	9135267186
<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>	:	c/o Umgeni/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 (2017: 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

# THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The reports and statements set out below comprise the annual financial statements presented to the members:

<b>CONTENTS</b>	<b>Page</b>
Report of the accounting officer	3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in equity and equity	6
Statement of cash flow	7
Notes to the financial statements	8 - 12

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 18 April 2019.

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WC Joughin

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F Essrich

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M du Plessis

**REPORT OF THE ACCOUNTING OFFICER TO THE MEMBERS OF THE THE SOUTH AFRICAN  
NATIONAL INSTITUTE OF ROCK ENGINEERING**

I have performed the duties of Accounting Officer to The South African National Institute of Rock Engineering as required by Section 62 of the Close Corporations Act, 1984. On the basis of information provided by the members, I have also compiled, in accordance with the statement of South African Auditing Standards applicable to compilation engagements, the balance sheet as at 30 June 2018, and the related income statement and cash flow statement for the year then ended, as set out on pages 4 to 12. The financial statements are the responsibility of members. I have not audited these financial statements, and accordingly express no assurance thereon.

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 books of account and 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.

**C PETERSEN  
PROFESSIONAL ACCOUNTANT (SA)  
REGISTRATION NO 6689**

**18 April 2019**

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	2018 R	2017 R
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Tangible assets	2	14,442.36	18,921.68
CURRENT ASSETS			
Inventories	3	56,034.53	57,263.01
Accounts receivable	4	13,695.00	31,566.70
Cash and cash equivalents		937,537.60	1,054,491.65
<b>TOTAL ASSETS</b>		<b>1,021,709.49</b>	<b>1,162,243.04</b>
 <b>EQUITY AND LIABILITIES</b>			
EQUITY AND RESERVES			
Retained surplus		999,592.27	1,112,818.30
CURRENT LIABILITIES			
Accounts payable	5	22,117.22	49,424.74
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,021,709.49</b>	<b>1,162,243.04</b>

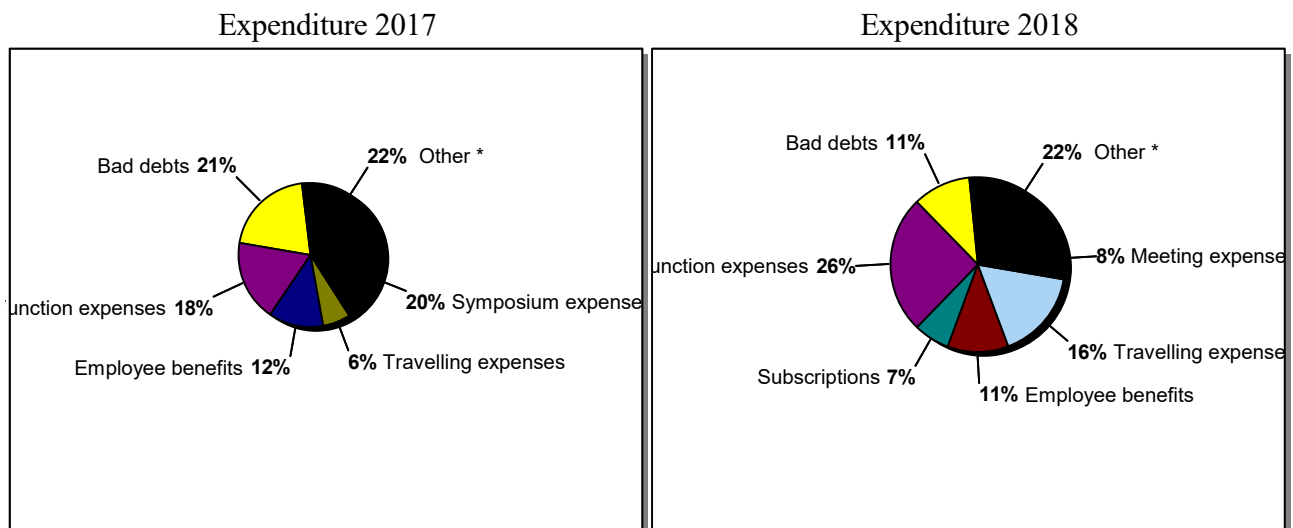
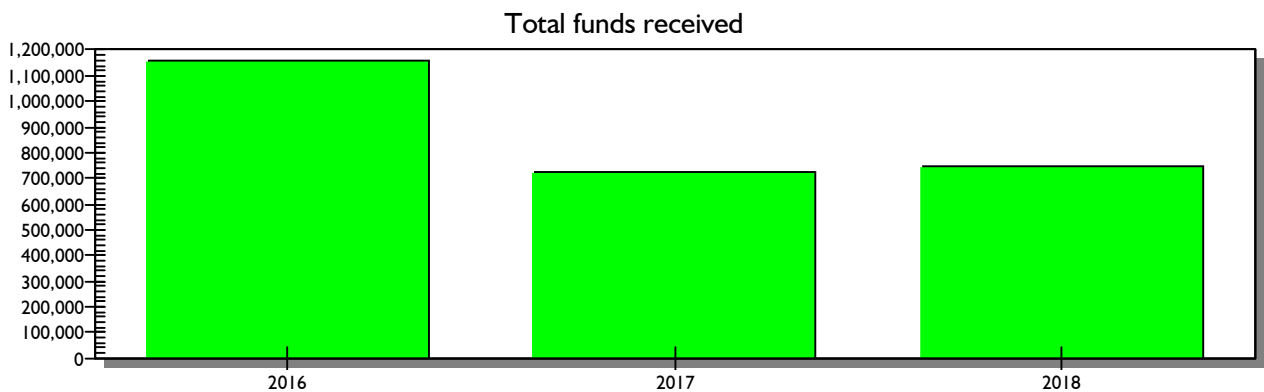
**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 R	2017 R
<b>GROSS REVENUE</b>	6	24,380.00	20,791.00
COST OF SALES	7	1,228.48	18,325.30
<b>GROSS PROFIT</b>		<u>23,151.52</u>	<u>2,465.70</u>
<b>OTHER INCOME</b>	8	712,987.10	693,514.04
<b>TOTAL INCOME</b>		736,138.62	695,979.74
<b>EXPENDITURE</b>		893,530.11	995,841.98
Accounting officer's remuneration	9	20,734.86	31,186.42
Advertising and promotions		-	9,447.57
Award expenses		7,685.61	25,231.00
Bank charges		9,680.76	9,448.75
Bad debts		98,460.00	212,032.75
Commission paid		37.60	318.37
Computer expenses		3,167.91	2,754.90
Depreciation		4,479.32	4,479.32
Donations		-	1,000.00
Employee benefits	10	99,097.17	120,160.24
Function expenses		230,075.73	184,056.06
Garden and cleaning services		2,520.39	1,917.51
Magazines and journals		7,294.00	9,250.00
Meeting expenses		70,675.66	39,351.40
Printing, stationery and postage		981.99	7,227.47
Rental premises		28,945.00	27,337.50
Subscriptions		58,618.77	12,136.94
Symposium expenses		180,889.83	261,457.07
Telephone and fax		4,166.66	6,234.51
Tree planting		29,978.85	-
Website development		<u>36,040.00</u>	<u>30,814.20</u>
<b>OPERATING LOSS BEFORE INTEREST AND TAXATION</b>		(157,391.49)	(299,862.24)
Interest received	11	44,265.46	44,301.84
Interest paid		<u>100.00</u>	<u>-</u>
<b>NET DEFICIT</b>		<u>(113,226.03)</u>	<u>(255,560.40)</u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018**

	Retained surplus	Total equity
Balance at 01 July 2016	1,368,378.70	1,368,378.70
Net deficit for the year	(255,560.40)	(255,560.40)
Balance at 01 July 2017	1,112,818.30	1,112,818.30
Net deficit for the year	(113,226.03)	(113,226.03)
Balance at 30 June 2018	999,592.27	999,592.27

**GRAPHICAL REPRESENTATION:**



**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 R	2017 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		755,238.80	856,395.09
Cash paid to suppliers and employees		<u>(916,358.31)</u>	<u>(980,175.91)</u>
Cash utilised in operating activities	13.1	(161,119.51)	(123,780.82)
Interest received		44,265.46	44,301.84
Interest paid		<u>(100.00)</u>	<u>-</u>
Net cash from operating activities		<u>(116,954.05)</u>	<u>(79,478.98)</u>
Decrease in cash and cash equivalents		(116,954.05)	(79,478.98)
Cash and cash equivalents at beginning of the year	13.2	<u>1,054,491.65</u>	<u>1,133,970.63</u>
Cash and cash equivalents at end of the year	13.2	<u><u>937,537.60</u></u>	<u><u>1,054,491.65</u></u>



# THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 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.

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**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**

	2018			2017		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Furniture and fittings	14,909.10	13,582.20	1,326.90	14,909.10	13,330.64	1,578.46
Office equipment	16,660.99	4,236.35	12,424.64	16,660.99	2,570.25	14,090.74
Computer equipment	36,571.81	35,880.99	690.82	36,571.81	33,319.33	3,252.48
	<u>68,141.90</u>	<u>53,699.54</u>	<u>14,442.36</u>	<u>68,141.90</u>	<u>49,220.22</u>	<u>18,921.68</u>

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

	Carrying value at beginning of year	Depreciation	Carrying value at end of year
<b>2017</b>			
<i>Owned assets</i>			
Furniture and fittings	1,830.02	(251.56)	1,578.46
Office equipment	15,756.84	(1,666.10)	14,090.74
Computer equipment	5,814.14	(2,561.66)	3,252.48
	<u>23,401.00</u>	<u>(4,479.32)</u>	<u>18,921.68</u>
<b>2018</b>			
<i>Owned assets</i>			
Furniture and fittings	1,578.46	(251.56)	1,326.90
Office equipment	14,090.74	(1,666.10)	12,424.64
Computer equipment	3,252.48	(2,561.66)	690.82
	<u>18,921.68</u>	<u>(4,479.32)</u>	<u>14,442.36</u>
	<b>2018</b>		<b>2017</b>

**3. INVENTORIES**

The amounts attributable to the different categories are as follows:

Merchandise	<u>56,034.53</u>	<u>57,263.01</u>
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**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
<b>4. ACCOUNTS RECEIVABLE</b>		
Membership fees	10,595.00	12,900.00
Prepayments	-	15,566.70
Other receivables	<u>3,100.00</u>	<u>3,100.00</u>
	<u><u>13,695.00</u></u>	<u><u>31,566.70</u></u>
	<b>2018</b>	<b>2017</b>
<b>5. ACCOUNTS PAYABLE</b>		
Trade payables	800.00	22,275.00
Accruals	<u>21,317.22</u>	<u>27,149.74</u>
	<u><u>22,117.22</u></u>	<u><u>49,424.74</u></u>
	<b>2018</b>	<b>2017</b>
<b>6. GROSS REVENUE</b>		
Total revenue comprises:		
Sale of goods and services	24,380.00	20,791.00
Donations received	240,547.10	97,820.00
Function income	53,000.00	115,000.04
Income raffles	480.00	610.00
Interest income	44,265.46	44,301.84
Membership fees received	362,800.00	360,861.00
Membership fees recovered	11,160.00	7,463.00
Seminar and symposium income	9,000.00	94,750.00
Website advertisement income	<u>36,000.00</u>	<u>17,010.00</u>
	<u><u>781,632.56</u></u>	<u><u>758,606.88</u></u>
	<b>2018</b>	<b>2017</b>
<b>7. COST OF SALES</b>		
Opening stock	57,263.01	68,268.31
Purchases	-	7,320.00
Closing stock	<u>(56,034.53)</u>	<u>(57,263.01)</u>
	<u><u>1,228.48</u></u>	<u><u>18,325.30</u></u>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
<b>8. OTHER INCOME</b>		
	<u>712,987.10</u>	<u>693,514.04</u>
Advertisement income	36,000.00	17,010.00
Donations received	240,547.10	97,820.00
Functions	53,000.00	115,000.04
Income symposium and seminars	9,000.00	94,750.00
Membership fees received	362,800.00	360,861.00
Membership fees recovered	11,160.00	7,463.00
Raffle income	<u>480.00</u>	<u>610.00</u>
	<b>2018</b>	<b>2017</b>
<b>9. ACCOUNTING OFFICER'S REMUNERATION</b>		
Accounting fees	11,934.86	23,186.42
Accounting officer	<u>8,800.00</u>	<u>8,000.00</u>
	<u>20,734.86</u>	<u>31,186.42</u>
	<b>2018</b>	<b>2017</b>
<b>10. EMPLOYEE COSTS AND BENEFITS</b>		
Salaries and wages	93,491.26	110,560.91
Training	3,800.00	2,500.00
Unemployment Insurance Fund Contributions	652.91	949.33
Workmens Compensation Fund Contributions	<u>1,153.00</u>	<u>6,150.00</u>
	<u>99,097.17</u>	<u>120,160.24</u>
	<b>2018</b>	<b>2017</b>
<b>11. INVESTMENT INCOME</b>		
Interest income		
- Interest received	<u>44,265.46</u>	<u>44,301.84</u>
	<b>2018</b>	<b>2017</b>
<b>12. INCOME TAX EXPENSE</b>		
No provision has been made for 2018 taxation as the professional body has been exempted from income tax.		

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

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

	<b>2018</b>	<b>2017</b>
<b>13.1 Cash utilised in operating activities</b>		
Net loss	(113,226.03)	(255,560.40)
Adjustments for:		
Depreciation	4,479.32	4,479.32
Investment income	(44,265.46)	(44,301.84)
Finance costs	100.00	-
	(152,912.17)	(295,382.92)
Movements in working capital		
Decrease in inventories	1,228.48	11,005.30
Decrease in accounts receivable	17,871.70	149,072.06
(Decrease)/increase in accounts payable	(27,307.52)	11,524.74
	(161,119.51)	(123,780.82)
	<b>2018</b>	<b>2017</b>
<b>13.2 Cash and cash equivalents</b>		
Cash and cash equivalents	937,537.60	1,054,491.65

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**REGISTER OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2018**

	Date Purchased	Cost 01/07/2017	Accumulated Depreciation 01/07/2017	Carrying Value 01/07/2017	Additions (Disposals)	Depreciation	Profit (Loss) on Sale of Fixed Asset	Accumulated Depreciation 2018	Carrying Value 2018
<b>FURNITURE AND FITTINGS</b>		<b>14,909.10</b>	<b>13,330.64</b>	<b>1,578.46</b>	-	<b>251.56</b>	-	<b>13,582.20</b>	<b>1,326.90</b>
Furniture and fittings	01/07/10	12,393.49	12,393.49	-	-	-	-	12,393.49	-
Carpets	30/09/13	1,765.61	662.22	1,103.39	-	176.56	-	838.78	926.83
Blinds	31/10/13	750.00	274.93	475.07	-	75.00	-	349.93	400.07
<b>OFFICE EQUIPMENT</b>		<b>16,660.99</b>	<b>2,570.25</b>	<b>14,090.74</b>	-	<b>1,666.10</b>	-	<b>4,236.35</b>	<b>12,424.64</b>
Cupboard	09/12/11	2,164.01	974.98	1,189.03	-	216.40	-	1,191.38	972.63
Stationery containers	20/12/11	299.98	121.49	178.49	-	30.00	-	151.49	148.49
QTX Speaker QR15PA	14/06/16	7,999.00	837.05	7,161.95	-	799.90	-	1,636.95	6,362.05
Acer Projector XI13 DLF	21/06/16	6,198.00	636.73	5,561.27	-	619.80	-	1,256.53	4,941.47
<b>COMPUTER EQUIPMENT</b>		<b>36,571.81</b>	<b>33,319.33</b>	<b>3,252.48</b>	-	<b>2,561.66</b>	-	<b>35,880.99</b>	<b>690.82</b>
Computer	01/07/10	23,353.37	23,353.37	-	-	-	-	23,353.37	-
Ion external drive	31/08/11	699.95	699.95	-	-	-	-	699.95	-
Dynax laptop	07/10/11	4,833.49	4,833.49	-	-	-	-	4,833.49	-
Dell E6420	07/10/15	6,790.00	3,920.63	2,869.37	-	2,263.33	-	6,183.96	606.04
Transcend ITB	13/10/15	895.00	511.89	383.11	-	298.33	-	810.22	84.78
<b>TOTAL</b>		<b>68,141.90</b>	<b>49,220.22</b>	<b>18,921.68</b>	-	<b>4,479.32</b>	-	<b>53,699.54</b>	<b>14,442.36</b>

**THE SOUTH AFRICAN NATIONAL INSTITUTE OF ROCK ENGINEERING**  
**SCHEDULES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2018**

**INTEREST RECEIVED**

Banking institutions	<u>44,265.46</u>
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**BAD DEBTS**

Written off August 2016 for previous years	165,866.75
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Written off May 2017	<u>46,190.00</u>
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	<u>212,056.75</u>
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**FUNCTION EXPENSES**

Catering and refreshments	71,321.59
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General expenses	8,800.00
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Gifts	74,769.44
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Rental venue	<u>7,986.20</u>
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	<u>162,877.23</u>
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**MEETING EXPENSES**

Catering and refreshments	57,417.16
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Gifts	419.40
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Rental venue	<u>13,258.50</u>
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	<u>71,095.06</u>
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**SUBSCRIPTIONS**

SAIMM	5,236.00
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ISRM	<u>53,382.77</u>
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	<u>58,618.77</u>
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**SYMPOSIUM EXPENSES**

Gifts	28,365.12
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Printing and stationery	8,968.21
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Rental venue	<u>23,962.80</u>
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	<u>61,296.13</u>
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