

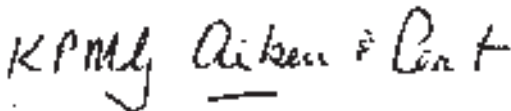
Report of the independent auditors

To the members of The South African Institute of Mining and Metallurgy

We have audited the annual financial statements set out on pages 239 to 245. These financial statements are the responsibility of the Institute's Council. Our responsibility is to report on these financial statements.

We have conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements. The audit included an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence that supports the amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates, and a consideration of the appropriateness of the overall financial statement presentation. We consider that our auditing procedures were appropriate in the circumstances to enable us to express our opinion presented here.

In our opinion these financial statements fairly present the financial position of the Institute at 30th June, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting practice.



Auditors

6th August 1997

Council's approval of the annual financial statements

The annual financial statements for the year ended 30 June 1997 set out on pages 239 to 245 were approved by the Council on 6 August 1997 and are signed on its behalf by:



President



Treasurer

Annual Financial Statements

The South African Institute of Mining and Metallurgy

Balance sheet at 30 June 1997

	Note	1997		1996	
		R	R	R	R
Capital employed					
Funds	2		R732 867		R1 004 189
Retained income			548 778		222 752
			<u>1 281 645</u>		<u>1 226 941</u>
Employment of capital					
Fixed assets	3		548 142		693 937
Listed investments	4		752 792		823 256
Current assets					
Publications stock			7		7
Advertisers in journal			11 324		14 597
Sundry debtors less provisions			360 356		254 155
Deposits			550		550
Cash and bank			104 090		-
			<u>476 327</u>		<u>269 309</u>
Current liabilities					
Accounts payable			483 847		288 224
Subscriptions received in advance			11 769		11 667
Bank overdraft			-		259 670
			<u>495 616</u>		<u>559 561</u>
Net current liabilities			<u>(19 289)</u>		<u>(290 252)</u>
			<u>1 281 645</u>		<u>1 226 941</u>

Annual Financial Statements

The South African Institute of Mining and Metallurgy

Income and expenditure account for the year ended 30 June 1997

	<i>Note</i>	1997 R	1996 R
Income	5	1 374 282	804 534
Expenditure	6	<u>1 300 506</u>	<u>940 572</u>
Net income/(loss) for the year		73 776	(136 038)
Transfer from/(to) funds	2	<u>252 250</u>	<u>(16 000)</u>
Retained income			
For the year		326 026	(152 038)
At beginning of year		<u>222 752</u>	<u>374 790</u>
At end of year		<u>548 778</u>	<u>222 752</u>



Annual Financial Statements

The South African Institute of Mining and Metallurgy

Notes to the annual financial statements for the year ended 30 June 1997

1. Accounting policies

The financial statements have been prepared in accordance with the historical cost convention and incorporate the following principal accounting bases and presentation which are the same as those adopted for the previous year and consistently applied –

1.1 Publications stock

The stock of publications is held and sold by the Institute for its own account and on behalf of its publishing partners who have underwritten some of the publications. The stock is reflected in the financial statements at nominal value.

1.2 Listed investments

Listed investments are held for the medium and long term, and are stated at the lower of cost or market value on an aggregate portfolio basis.

1.3 Fixed assets and depreciation

Investment properties are not depreciated. Furniture and equipment are depreciated over their estimated useful lives. Medals, plaques, dies, and banners are recorded at a nominal value.

1.4 Accounts payable

Accounts payable include net income of R27 112 (1996 – R221 265) which relates to technical events to be held in future financial years.

1.5 Scrip dividends

Scrip dividends received are brought to account at the cash equivalent value of the dividend by charging the cost of the investment and crediting dividends received.

	1997 R	1996 R
2. Funds		
2.1 Book Publications Fund		
– balance at beginning of year	91 810	79 534
– donations received	17 298	12 276
	<hr/> 109 108	<hr/> 91 810
2.2 Brigadier Stokes Memorial Fund		
– balance at beginning of year	83 284	83 284
– awards and expenses	(224)	–
	<hr/> 83 060	<hr/> 83 284
2.3 Education Fund		
– balance at beginning of year	158 778	190 712
– expenses	(5 000)	(31 934)
	<hr/> 153 778	<hr/> 158 778

Annual Financial Statements

The South African Institute of Mining and Metallurgy

Notes to the annual financial statements for the year ended 30 June 1997 (continued)

	1997 R	1996 R	
2. Funds (continued)			
2.4 MacArthur Forrest Memorial Fund			
– balance at beginning of year	73 835	80 584	
– awards and expenses	(6 350)	(6 749)	
– transfer from retained income	13 000	–	
	80 485	73 835	
2.5 Safety in Coal Mining Award Fund			
– balance at beginning and end of year	38 205	38 205	
2.6 Infacon Bursary Fund			
– balance at beginning of year	308 277	314 277	
– donations received	57 204	–	
– expenses	(82 000)	(22 000)	
– transfers to/from retained income	(15 250)	16 000	
	268 231	308 277	
2.7 Observatory Refurbishment Fund			
– balance at beginning of year	250 000	250 000	
– transfer to retained income	(250 000)	–	
	–	250 000	
Total of funds at end of year	732 867	1 004 189	
3. Fixed assets			
	Cost less amounts written off R	Accumulated depreciation R	Net book value R
1997			
Land and buildings	468 620	–	468 620
Furniture and equipment	394 829	315 308	79 521
Medals, plaques, dies, and banners	1	–	1
	863 450	315 308	548 142
1996			
Land and buildings	618 620	–	618 620
Furniture and equipment	353 839	278 523	75 316
Medals, plaques, dies, and banners	1	–	1
	972 460	278 523	693 937

Land and buildings comprises portion 1 of erf 304 Observatory Township, Gauteng, and the house erected thereon. The property has been classified as an investment property by the council and will, therefore, not be depreciated. Due to a decline in the market value of the property an amount of R150 000 was written off during the year. The council intend to sell this property during the next financial year.

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The South African Institute of Mining and Metallurgy

Notes to the annual financial statements for the year ended 30 June 1997 (continued)

		1997 R		1996 R
4. Listed investments				
Investments at cost		752 792		823 256
Investments at market value		2 582 339		2995 000
		<hr/>		<hr/>
	R	1997	R	1996
5. Income comprises				
Company affiliates subscriptions			144 737	128 947
Membership entrance fees and subscriptions			376 393	346 193
Colloquia			558 682	81 761
Schools			52 947	206 823
Surplus on sale of investments			154 507	1 079
Interest and dividends received			63 037	47 264
Sundry income			34 343	20 627
Special Publication series				
– Sales	48 738		64 007	
Less expenditure				
– Expenses net of postage recoveries	52 917		55 170	
– Cost of production	6 185		36 997	
	<hr/>		<hr/>	
	59 102		92 167	
			<hr/>	
			(10 364)	(28 160)
			<hr/>	<hr/>
			1 374 282	804 534

5.1 Voluntary contributions by members amounting to R1 069 (1996 – R1 336) were collected and paid over by the Institute to the A.S. & T.S. Trust and are not included in the income statement.

Annual Financial Statements

The South African Institute of Mining and Metallurgy

Notes to the annual financial statements for the year ended 30 June 1997 (continued)

	1997		1996	
	R	R	R	R
6. Expenditure comprises				
Secretarial fee		326 679		358 580
Institute Journal				
– Expenses	308 860		275 677	
– Secretarial fee	30 733		31 286	
	<u>339 593</u>		<u>306 963</u>	
Deduct				
– Advertising	61 223		72 773	
– Sales	44 875		38 522	
– Subvention – Bureau for Scientific Publications	5 000		–	
	<u>111 008</u>		<u>111 295</u>	
		228 495		195 668
Centenary		(2 092)		(3 974)
Administration expenditure		456 961		305 611
Audit fee		10 000		10 000
Contributions				
– Engineering Association	25 270		10 785	
– Environmental Planning Professions Inter-disciplinary Committee	4 500		4 104	
– South African National Committee of Tunnelling	1 075		925	
		<u>30 845</u>		15 814
Depreciation		36 792		49 459
Subscriptions written off		12 826		9 414
Provision				
– devaluation of property		150 000		–
– debts over six months		50 000		–
		<u>1 300 506</u>		<u>940 572</u>



Green Topics

Eppic National Award: 1997

Presented to Mr John Freer at the World Environment Day Symposium awards dinner on 4 June 1997.

Special Award:

In keeping with the spirit of creativity in the engineering profession, ECSA and SAVI commissioned the well known South African artist Ernst de Jong to design a special limited edition fine art graphic. The theme for the design of the graphic is based on Leonardo da Vinci's sketches of measuring instruments which he used for his investigations into the structure of pyramids. The graphic is accompanied by a poster depicting at the artistic evolution of the design concept and symbolises engineering and the quality of creative thinking. The hand-drawn fine art graphic and poster have been produced in a limited edition of 500 and have been personally signed, dated and numbered by the artist Ernst de Jong.

This award for outstanding dedication and service is being made to a man who has put many hours, time and effort and has been the backbone of the World Environment Day Committee for many years. He became a member of this committee in 1989 and he has been a committee member ever since. He was Chairman of this committee from 1989 to

1993. He was Chairman of EPPIC for the years 1988 and 1989 and he represents the South African Institute of Mining and Metallurgy on the EPPIC Committee.

He was born in 1928 and graduated from the University of the Witwatersrand with a BSc Degree in Chemistry and Zoology and an honours degree in chemistry. He is a registered Professional Engineer and a Fellow and Council Member of the SA Institute of Mining and Metallurgy.

His entire life has been devoted to the interests of nature and the environment. He is a consultant to Mintek and his association with Mintek goes back to 1960, when he was seconded to work on aspects of uranium processing from the Atomic Energy Board at what was then the Government Metallurgical Laboratory. He has also held positions at the Chamber of Mines of SA, Anglo American Research Laboratories and Genmin, where he was Consulting Metallurgist in the Gold Division before being appointed to the groups first Consultant: Environmental Management.

There is only one person who fits the description of this CV which I read out. He has obviously realised by now who he is. It gives me great pleasure to call upon engineer John Freer to come forward and receive this special award, donated by the Engineering Council of SA and presented to him for his outstanding contribution to our committee, the environment and South Africa. I ask the Director General for Environmental Affairs, Dr Cameron to come forward to make this presentation to Engineer Freer. ◆