

## 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 express an opinion on these financial statements based on our audit.

#### Scope

We have conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- ▶ examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- ▶ assessing the accounting principles used and significant estimates made by management
- ▶ evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

#### Audit opinion

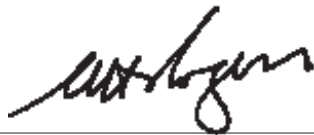
In our opinion, the financial statements fairly present, in all material respects, the financial position of the Institute at 30 June, 2000, and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

#### Auditors

4 August 2000

### Council's approval of the annual financial statements

The annual financial statements for the year ended 30 June 2000 set out on pages 309 to 317 were approved by the Council on 4 August 2000 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 2000

	<i>Note</i>	2000 R	1999 R
<b>Non-current assets</b>		672 183	1 077 528
Furniture and equipment	2	28 788	42 252
Listed investments	3	643 395	1 035 276
<b>Current assets</b>		1 109 869	438 177
Inventories		8	8
Accounts receivable less provisions		469 852	438 169
Deposits		1 500	-
Cash and cash equivalents	4	638 509	-
<b>Total assets</b>		1 782 052	1 515 705
<b>Equity and liabilities</b>			
<b>Funds and reserves</b>		704 632	876 330
Funds	5	530 610	596 390
Retained surplus		174 022	279 940
<b>Current liabilities</b>		1 077 420	639 375
Accounts payable		1 077 420	460 569
Cash and cash equivalents	4	-	178 806
<b>Total equity and liabilities</b>		1 782 052	1 515 705

## Annual Financial Statements

### The South African Institute of Mining and Metallurgy

#### Statement of changes in equity *for the year ended 30 June 2000*

	Funds R	Retained surplus R	Total R
Balance at 1 July 1998	678 457	524 148	1 202 605
Awards and expenses	(58 037)		(58 037)
Transfers to retained surplus	(24 030)	24 030	-
Net deficit for the year		(268 238)	(268 238)
<b>Balance at 30 June 1999</b>	<b>596 390</b>	<b>279 940</b>	<b>876 330</b>
Balance at 1 July 1998	596 390	279 940	876 330
Awards and expenses	(49 350)		(49 350)
Transfers to retained surplus	(16 430)	16 430	-
Net deficit for the year		(122 348)	(122 348)
<b>Balance at 30 June 2000</b>	<b>530 610</b>	<b>174 022</b>	<b>704 632</b>

## Annual Financial Statements

### The South African Institute of Mining and Metallurgy

#### Income and expenditure account *for the year ended 30 June 2000*

	<i>Note</i>	2000 R	1999 R
Income	6	1 374 944	1 243 183
Expenditure	7	1 497 292	1 511 421
Net deficit for the year		<u>(122 348)</u>	<u>(268 238)</u>

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### Cash flow statement

for the year ended 30 June 2000

	2000 R	1999 R
<b>Net deficit for the year</b>	(122 348)	(268 238)
Adjustment for:		
– depreciation	13 464	36 187
– provisions created	18 966	35 000
– surplus on sale of investments	(166 732)	(292 638)
– interest and dividends received	(13 344)	(32 997)
<b>Cash outflows from operations before working capital changes</b>	(269 994)	(522 686)
Working capital changes	564 702	(2 491)
(Increase)/decrease in accounts receivable	(50 649)	105 979
(Increase)/decrease in deposits	(1 500)	550
Increase/(decrease) in accounts payable	616 851	(109 020)
<b>Cash generated/(consumed) by operations</b>	294 708	(525 177)
Interest and dividends received	13 344	32 997
<b>Net cash inflow/(outflow) from operating activities</b>	308 052	(492 180)
<b>Cash flow from investing activities</b>	558 613	392 733
Acquisition of furniture and equipment	–	(10 285)
Proceeds from realisation of investments	558 613	403 018
	866 665	(99 447)
<b>Cash flow from funds activities</b>	(49 350)	(58 037)
Awards and expenses		
Net increase/(decrease) in cash and cash equivalents	817 315	(157 484)
Cash and cash equivalents at beginning of year	(178 806)	(21 322)
<b>Cash and cash equivalents at end of year</b>	638 509	(178 806)

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### Notes to the annual financial statements for the year ended 30 June 2000

#### 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 Inventories

The inventories 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 inventories are 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

Furniture and equipment are depreciated over their estimated useful lives. Medals, plaques, dies, and banners are recorded at a nominal value.

##### 1.4 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.

##### 1.5 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts.

##### 1.6 Retirement benefits

The Institute contribute to a defined contribution plan. Contributions to defined contribution funds are charged against income as incurred.

<b>2. Furniture and equipment</b>	Cost less amounts written off <b>R</b>	Accumulated depreciation <b>R</b>	Net book value <b>R</b>
2000	<u>264 980</u>	<u>236 192</u>	<u>28 788</u>
1999	<u>264 980</u>	<u>222 728</u>	<u>42 252</u>

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### Notes to the annual financial statements for the year ended 30 June 2000 (continued)

<b>3. Listed investments</b>	<b>2000</b>	<b>1999</b>
	<b>R</b>	<b>R</b>
Investments at cost less amounts written off	643 395	1 035 276
Investments at market value	936 956	1 600 183
<b>4. Cash and cash equivalents</b>		
Current account	300 976	(207 418)
Call account	336 756	28 474
Cash on hand	777	138
Investments at market value	638 509	(178 806)
<b>5. Funds</b>		
<b>5.1 Book Publications Fund</b>		
– balance at beginning and end of year	109 108	109 108
<b>5.2 Brigadier Stokes Memorial Fund</b>		
– balance at beginning of year	74 069	100 060
– awards and expenses	–	(25 991)
	74 069	74 069
<b>5.3 PWJ van Rensburg Fund</b>		
– balance at beginning and the end of year	153 778	153 778
<b>5.4 MacArthur Forrest Memorial Fund</b>		
– balance at beginning of year	70 239	80 285
– awards and expenses	(4 350)	(10 046)
	65 889	70 239
<b>5.5 Safety in Coal Mining Award Fund</b>		
– balance at beginning and end of year	38 205	38 205
<b>5.6 Infacon Bursary Fund</b>		
– balance at beginning of year	150 991	197 021
– expenses	(45 000)	(22 000)
– transfers to retained surplus	(16 430)	(24 030)
	89 561	150 991
Total of funds at end of year	530 610	596 390



# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### Notes to the annual financial statements for the year ended 30 June 2000 (continued)

	2000		1999	
	R	R	R	R
<b>6. Income comprises</b>				
Company affiliates subscriptions		193 997		175 751
Membership entrance fees and subscriptions		687 359		452 111
Colloquia		290 526		406 030
Schools		62 811		22 549
Surplus on sale of investments		166 732		292 638
Interest and dividends received		13 344		32 997
Sundry income				
Special Publication series				
– Sales	42 107		40 837	
Less expenditure				
– Expenses net of postage recoveries	63 756		118 723	
– Cost of production	18 176		61 007	
	<u>81 932</u>		<u>179 730</u>	
		(39 825)		(138 893)
		<u>1 374 944</u>		<u>1 243 183</u>



# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### Notes to the annual financial statements for the year ended 30 June 2000 (continued)

	2000		1999	
	R	R	R	R
<b>6. Expenditure</b> comprises				
Secretarial costs		223 182		205 867
Institute Journal				
– Expenses	538 755		603 023	
– Secretarial fee	83 336		73 273	
	<u>622 091</u>		<u>676 296</u>	
Deduct				
– Advertising	173 916		151 718	
– Sales	87 180		76 053	
	<u>261 096</u>		<u>227 771</u>	
		360 995		448 525
Administration expenditure		642 785		718 541
Audit fee		20 500		10 000
Contributions				
– Environmental Planning Professions Inter-disciplinary Committee	1 373		5 625	
– South African National Council of Tunnelling	930		750	
		<u>2 303</u>		<u>6 375</u>
Depreciation		13 464		36 187
Lease and moving expenditure		144 514		–
Provision for doubtful debts		18 966		35 000
Subscriptions written off		70 583		50 926
		<u>1 497 292</u>		<u>1 511 421</u>

