

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

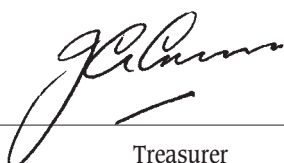
4 August 2000

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

	Note	2000 R	1999 R
Non-current assets		672 183	1 077 528
Furniture and equipment	2	28 788	42 252
Listed investments	3	643 395	1 035 276
Current assets		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	–
Total assets		1 782 052	1 515 705
Equity and liabilities			
Funds and reserves		704 632	876 330
Funds	5	530 610	596 390
Retained surplus		174 022	279 940
Current liabilities		1 077 420	639 375
Accounts payable		1 077 420	460 569
Cash and cash equivalents	4	–	178 806
Total equity and liabilities		1 782 052	1 515 705

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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)
Balance at 30 June 1999	596 390	279 940	876 330
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)
Balance at 30 June 2000	530 610	174 022	704 632



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

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

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Cash flow statement

for the year ended 30 June 2000

	2000 R	1999 R
Net deficit for the year	(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)
Cash outflows from operations before working capital changes	(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)
Cash generated/(consumed) by operations	294 708	(525 177)
Interest and dividends received	13 344	32 997
Net cash inflow/(outflow) from operating activities	308 052	(492 180)
Cash flow from investing activities	558 613	392 733
Acquisition of furniture and equipment	–	(10 285)
Proceeds from realisation of investments	558 613	403 018
	866 665	(99 447)
Cash flow from funds activities	(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)
Cash and cash equivalents at end of year	638 509	(178 806)



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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.

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

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

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

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	R	2000	R	R	1999	R
6. Income comprises						
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	
		81 932			179 730	
			(39 825)			(138 893)
			1 374 944			1 243 183

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

	2000		1999	
	R	R	R	R
6. Expenditure 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>



