

## Report of the independent auditors

To the trustees of The SAIMM Scholarship Fund

We have audited the annual financial statements of The SAIMM Scholarship Fund set out on pages 587 to 592 for the year ended 30 June 2005. These financial statements are the responsibility of the trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

### Scope

We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether 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, and
- 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 trust at 30 June 2005 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:KPMG Inc.**  
*Registered Accountants and Auditors*  
*Chartered Accountants*  
11 August 2005

## Council's approval of the annual financial statements

The annual financial statements for the year ended 30 June 2005 set out on pages 587 to 592 were approved by the Council on 30 July 2005 and are signed on its behalf by:

  
President

  
Treasurer

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### The SAIMM Scholarship Fund

Income and expenditure account  
*for the year ended 30 June 2005*

	<i>Note</i>	<b>2005</b> <b>R</b>	2004 <b>R</b>
<b>Donations received</b>		<b>209 469</b>	349 844
<b>Donations made</b>		<b>270 000</b>	<b>80 000</b>
<b>Administration expenses</b>		<b>7 618</b>	4 515
<b>Net (loss)/surplus for the period</b>		<b>(68 149)</b>	265 329

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### The SAIMM Scholarship Fund

#### Balance Sheet at 30 June 2005

	<i>Note</i>	<b>2005 R</b>	<b>2004 R</b>
<b>Assets</b>			
<b>Non-current assets</b>			
The South African Institute of Mining and Metallurgy	<i>1.1</i>	<b>335 799</b>	<b>403 948</b>
<b>Total assets</b>		<b>335 799</b>	<b>403 948</b>
<b>Equity and liabilities</b>			
Founding settlement		<b>1 000</b>	<b>1 000</b>
Retained surplus		<b>334 799</b>	<b>402 948</b>
<b>Total equity and liabilities</b>		<b>335 799</b>	<b>403 948</b>

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### The SAIMM Scholarship Fund

Statement of changes in equity  
*for the year ended 30 June 2005*

	Founding settlement R	Retained Surplus R	Total R
<b>Balance at 1 July 2003</b>	1 000	137 619	137 619
Net surplus for the period	-	265 329	265 329
<b>Balance at 30 June 2004</b>	<b>1 000</b>	<b>402 948</b>	<b>403 948</b>
Net loss for the period	-	(68 149)	(68 149)
<b>Balance at 30 June 2005</b>	<b>1 000</b>	<b>334 799</b>	<b>335 799</b>

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### The SAIMM Scholarship Fund

Cash flow statement  
*for the year ended 30 June 2005*

	<b>2005</b> <b>R</b>	2004 <b>R</b>
Net (loss)/surplus for the year	(68 149)	265 329
<b>Cash flows from investing activities</b>		
Decrease/(increase) in loans receivable	68 149	(265 329)
<b>Net increase/(decrease) in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of year	-	-
<b>Cash and cash equivalents at end of year</b>	-	-

# Annual Financial Statements

## The South African Institute of Mining and Metallurgy

### The SAIMM Scholarship Fund

Notes to the annual financial statements  
for the year ended 30 June 2005

#### 1. Accounting policies

The financial statements have been prepared in accordance with the historical cost convention modified for financial instruments, which are stated at fair values and incorporate the following principal accounting bases and presentation, which are the same as those adopted for the previous year.

##### 1.1 Financial instruments

###### *Measurement*

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

###### *Financial liabilities*

Non-derivative financial liabilities are recognized at amortized cost, comprising original debt less principal payments and amortizations.

###### *Gains and losses on subsequent measurement*

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss in the period in which the change arises.

###### *Financial asset*

As the amount due by The South African Institute of Mining and Metallurgy earns no interest and has no repayment terms, its fair value cannot be determined and it is therefore carried at cost less provision for bad debt.

##### 1.2 Income

Income comprises contributions received from donors.

##### 1.3 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, all of which are available for use by the Fund unless otherwise stated.

#### 2. Taxation

The trust is tax exempt in terms of Section 18A of the Income Tax Act.