

The Southern African Institute of Mining and Metallurgy

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Financial Statements

for the year ended 30 June 2015

Statement of council members' responsibilities and approval

The council members are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the branch as at the end of the financial year and the results of its operations and cash flows for the period then ended in conformity with the accounting policies appropriate to the Institute. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the accounting policies appropriate to the Institute and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The council members acknowledge that they are ultimately responsible for the system of internal financial control established by the branch and place considerable importance on maintaining a strong control environment. To enable the council members to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the branch and all employees are required to maintain the highest ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the branch is on identifying, assessing, managing, and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the branch endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditor is responsible for independently reviewing and reporting on the branch's annual financial statements. The annual financial statements have been examined by the Institute's external auditor and his report is presented on page 888.

The annual financial statements set out on pages 889 to 892, which have been prepared on the going concern basis, were approved by the board and were signed on their behalf by:

Signed by: J.L. Porter

President

Signed by: C.G. Sweet

Treasurer

Audit Report

To the members of The SAIMM Western Cape Branch

I have audited the annual financial statements of The SAIMM Western Cape Branch, which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 889 to 892.

Council Members' responsibility for the annual financial statements

The Institute's council members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the accounting policies appropriate to the Institute, and for such internal control as the council members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these annual financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend upon the auditor's judgement, including the assessment of the risk of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the branches internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of The SAIMM Western Cape Branch as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies appropriate to the Institute.

Supplementary information

Without qualifying my opinion, I draw attention to the fact that supplementary information set out on page 892 does not form part of the annual financial statements and is presented as additional information. I have not audited this information and accordingly do not express an opinion thereon.

Robert Henry Kitching
Registered Auditor

Annual Financial Statements

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Statement of Financial Position

at 30 June 2015

	<i>Note(s)</i>	2015 R
Assets		
Current assets		
Trade and other receivables	2	65 887
Cash and cash equivalents	3	738 037
		<u>803 924</u>
Total assets		<u>803 924</u>
Reserves and liabilities		
Reserves		
Retained income		<u>771 390</u>
Liabilities		
Current liabilities		
The Southern African Institute of Mining and Metallurgy	4	22 356
Trade and other payables		10 178
		<u>32 534</u>
Total Equity and liabilities		<u>803 924</u>

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Statement of Comprehensive Income

at 30 June 2015

	<i>Note(s)</i>	2015 R
Revenue		320 859
Cost of sales		(567 142)
Gross loss		<u>(246 283)</u>
Other income		1 703
Operating expenses		(30 755)
Operating surplus	5	<u>(275 335)</u>
Investment revenue		28 582
Royalties OneMine		298 696
Surplus for the year		<u>51 943</u>



Annual Financial Statements

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Statement of Changes in Reserves

at 30 June 2015

	Retained income	Total reserves
Balance at 01 July 2014	719 447	719 447
Changes in reserves		
Surplus for the year	51 943	51 943
Total changes	51 943	51 943
Balance at 30 June 2015	771 390	771 390

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Statement of Changes in Reserves

at 30 June 2015

	Note(s)	2015
Cash flows from operating activities		
Cash used in operations	7	(32 348)
Interest income		28 582
Net cash from operating activities		(3 766)
Cash flows from investing activities		
Loans advanced to associated entity		22 356
Net cash from investing activities		22 356
Total cash movement for the year		18 590
Opening balance on cash and cash equivalents		719 447
Total cash at end of the year	3	738 037

The Southern African Institute of Mining and Metallurgy

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Financial Statements

for the year ended 30 June 2015

Accounting policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with accounting policies of the fund. The annual financial statements have been prepared on the historical cost basis. They are presented in South African rands.

These is the first year of operations.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, the trustees are required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgements include:

Provisions

Provisions were raised and management determined an estimate based on the information available.

1.2 Impairment of assets

The Institute assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the Institute estimates the recoverable amount of the asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.3 Provisions and contingencies

Provisions are recognised when:

- The Institute has an obligation at the reporting period date as a result of a past event
- It is probable that the Institute will be required to transfer economic benefits in settlement and
- The amount of the obligation can be estimated reliable

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the amount expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured.

Interest is recognised, in profit or loss, using the effective interest rate method.

Donations are recognised as and when received.

Dividends are recognised, in profit or loss, when the Institute's right to receive payment has been established.

Annual Financial Statements

The Southern African Institute of Mining and Metallurgy

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Statement of Comprehensive Income

for the year ended 30 June 2015

	<i>Note(s)</i>	2015
Revenue		320 859
Cost of sales		(567 142)
Gross loss		(246 283)
Other income		1 703
Operating expenses		(30 755)
Operating surplus	5	(275 335)
Investment revenue		28 582
Royalties OneMine		298 6967
Surplus for the year		51 943

The Southern African Institute of Mining and Metallurgy

The SAIMM Western Cape Branch (Registration number IT 6837/02)

Statement of Changes in Reserves

for the year ended 30 June 2015

	Retained income	Total reserves
Balance at 01 July 2014	719 447	719 447
Changes in reserves		
Surplus for the year	51 943	51 943
Total changes	51 943	51 943
Balance at 30 June 2015	771 390	771 390