

THE SOUTHERN AFRICAN INSTITUTE OF MINING AND METALLURGY
WESTERN CAPE BRANCH
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Southern African Institute of Mining and Metallurgy is a professional institute with local and international links aimed at assisting members to source information about technological developments in the mining, metallurgy, and related sectors. This non-profit entity operates in South Africa.
Office Bearers	Professor S. Ndlovu A.S. Macfarlane M.I. Mthenjane Z. Botha Professor C. Musingwini V.G. Duke Professor R.T. Jones
Registered office	University of Cape Town Private Bag X3 Rondebosch 7701
Postal address	PO Box 61127 Marshalltown 2107
Bankers	Standard Bank of South Africa
Auditors	Genesis Chartered Accountants Chartered Accountants (SA) Registered Auditors
Preparer	The annual financial statements were independently compiled by: J. Den Drijver CA(SA)

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The reports and statements set out below comprise the annual financial statements presented to the Office Bearers:

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Office Bearers' Responsibilities and Approval

The Office Bearers 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 Southern African Institute of Mining and Metallurgy Western Cape 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Office Bearers 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 Office Bearers to meet these responsibilities, the Office Bearers sets 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 Branch'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 Branch. 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 Office Bearers 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 Office Bearers have reviewed the Branch's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, they are satisfied that the Branch has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Branch's annual financial statements. The annual financial statements have been examined by the Branch's external auditors and their report is presented on page 990.

The annual financial statements set out on pages 991–996 have been prepared on the going concern basis, were approved by the Office Bearers on 31 July 2018 and were signed on their behalf by:



Professor S. Ndlovu



V.G. Duke

Office Bearers' Report

The Office Bearers have pleasure in submitting their report on the annual financial statements of The Southern African Institute of Mining and Metallurgy Western Cape Branch for the year ended 30 June 2018.

1. Nature of business

The Southern African Institute of Mining and Metallurgy is a professional institute with local and international links aimed at assisting members and source information about technological developments in the mining, metallurgy and related sectors. There have been no material changes to the nature of the Institute's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards, and the accounting policies for this Branch. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Southern African Institute of Mining and Metallurgy Western Cape branch are set out in these annual financial statements.

3. Office Bearers

The Office Bearers in office at the date of this report are as follows:

Office Bearers	Designation
Professor S. Ndlovu	President
A.S. Macfarlane	President Elect
M.I. Mthenjane	Senior Vice President
Z. Botha	Junior Vice President
Professor C. Musingwini	Immediate Past President
V.G. Duke	Honorary Treasurer
Professor R.T. Jones	Past President

There have been no changes to the above mentioned structure for the period under review.

4. Events after the reporting period

The Office Bearers are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The Office Bearers believe that the Branch has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Office Bearers have satisfied themselves that the Branch is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Office Bearers are not aware of any new material changes that may adversely impact the Branch. The Office Bearers are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Branch.

6. Auditors

Genesis Chartered Accountants will continue in office-.

Independent Auditor's Report

To the Office Bearers of The Southern African Institute of Mining and Metallurgy Western Cape Branch

Disclaimer of opinion

We were engaged to audit the annual financial statements of The Southern African Institute of Mining and Metallurgy Western Cape Branch set out on pages 991–996, which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

We do not express an opinion on the annual financial statements of The Southern African Institute of Mining and Metallurgy Western Cape Branch because of the significance of the matters described in the basis for disclaimer of opinion section of our report. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these annual financial statements.

Basis for disclaimer of opinion

Due to a lack of supporting documentation, we have been unable to carry out all of the audit procedures that we deemed necessary to satisfy ourselves as to the completeness, existence and valuation of Other financial assets (R596 936), Trade receivables (R66 237), Accruals (R8 451) and Other financial liabilities (R223 351).

Other information

The Office Bearers are responsible for the other information. The other information comprises the Office Bearers' Report which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

We have read the other information and, in doing so, considered whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. However, due to the disclaimer of opinion in terms of the International Standard on Auditing (ISA) 705 (Revised), Modifications to the Opinion in the Independent Auditor's Report, we are unable to report further on this other information.

Responsibilities of the Office Bearers for the Annual Financial Statements

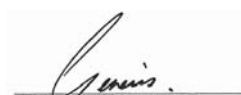
The Office Bearers are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the Office Bearers determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Office Bearers are responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Office Bearers either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our responsibility is to conduct an audit of the Branch's annual financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for disclaimer of opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these annual financial statements.

We are independent of the Southern African Institute of Mining and Metallurgy Western Cape Branch in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).


Genesis Chartered Accountants
Registered Auditor
CWB White CA(SA)
Partner

3 August 2018
Johannesburg

Statement of Financial Position as at 30 June 2018

	<i>Note(s)</i>	2018 R	2017 R
Assets			
Non-Current Assets			
Other financial assets	2	596 936	596 936
Current Assets			
Trade and other receivables	3	18 463	4 165
Cash and cash equivalents	4	558 313	514 922
		576 776	519 087
Total Assets		1 173 712	1 116 023
Equity and Liabilities			
Equity			
Accumulated funds		846 038	853 932
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	223 351	223 351
Current Liabilities			
Trade and other payables	6	104 323	38 740
Total Liabilities		327 674	262 091
Total Equity and Liabilities		1 173 712	1 116 023

Statement of Comprehensive Income

	<i>Note(s)</i>	2018 R	2017 R
Revenue	7	178 700	–
Cost of sales		(190 390)	–
Gross loss		(11 690)	–
Other income		–	41 585
Operating expenses		(17 933)	(112 266)
Operating loss		(29 623)	(70 681)
Investment revenue	8	21 729	28 673
Fair value adjustments		–	37 743
Loss for the year		(7 894)	(4 265)

Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 1 July 2016	858 197	858 197
Loss for the year	(4 265)	(4 265)
Balance at 1 July 2017	853 932	853 932
Loss for the year-	(7 894)	(7 894)
Balance at 30 June 2018	846 038	846 038

Statement of Cash Flows

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Cash generated from (used in) operations	10	21 662	(35 451)
Interest income		21 729	28 673
Net cash from operating activities		43 391	(6 778)
Cash flows from investing activities			
Decrease in financial assets		-	(37 742)
Net cash from investing activities		-	(37 742)
Cash flows from financing activities			
Repayment of other financial liabilities		-	223 351
Net cash from financing activities		-	223 351
Total cash movement for the year		43 391	178 831
Cash at the beginning of the year		514 922	336 091
Total cash at end of the year	4	558 313	514 922

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

The Office Bearers did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 Impairment of assets

The branch assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of assets) in prior years. A reversal of impairment is recognized immediately in profit or loss.

1.4 Revenue

Revenue is recognized to the extent that the Branch has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Branch. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

Notes to the Annual Financial Statements

	2018 R	2017 R
2. Other financial assets		
At fair value		
Listed shares	596 936	596 936
Non-current assets		
At fair value	596 936	596 936
3. Trade and other receivables		
Trade receivables	18 463	–
UCT Fund	–	4 165
	18 463	4 165
4. Cash and cash equivalents		
Cash and cash equivalent consist of:		
Bank balances	25 132	3 355
Short-term deposits	533 181	511 567
	588 313	514 922
5. Other financial liabilities		
At fair value		
The Southern African Institute of Mining and Metallurgy This loan is unsecured, interest free, and has no specified terms of repayment.	223 351	223 351
Non-current liabilities		
At fair value	223 351	223 351
6. Trade and other payables		
Trade debtors in credit	84 701	–
UCT fund	6 171	–
Accruals	8 451	33 740
Accrued audit fees	5 000	5 000
	104 323	38 740
7. Revenue		
Rendering of services	178 700	–

Notes to the Annual Financial Statements

	2018 R	2017 R
8. Investment revenue		
Interest revenue		
Bank	21 729	28 673
<hr/>		
9. Auditor's remuneration		
Fees	-	5 000
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10. Trade and other payables		
Loss before taxation	(7 894)	(4 265)
Adjustment for:		
Interest received	(21 729)	(28 673)
Changes in working capital		
Trade and other receivables	(14 298)	(4 165)
Trade and other payables	65 583	1 652
	21 662	(35 451)
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Detailed Income Statement

	<i>Note(s)</i>	2018 R	2017 R
Revenue			
Conference fees		178 7000	-
Cost of sales			
Conference costs		(190 390)	-
Gross loss			
		(11 690)	-
Other income			
Reversal of/ (Adjustments/write offs)		-	41 585
Fair value adjustments		-	37 743
Interest received	8	21 729	28 673
		21 729	108 001
Operating expenses			
AGM expenses		850	-
Accounting fees		-	45 314
Auditor's remuneration	9	-	5 000
Bank charges		2 475	2 345
Book Prize		-	6 000
Catering - Meetings		-	262
Committee dinner		5 781	4 281
Computer expenses		699	-
Employee costs		-	32 385
Printing and stationery		250	1 000
Student evenings		6 180	10 324
Telephone and fax		1 698	5 355
		17 933	112 266
Loss for the year		(7 894)	(4 265)