

Annual Financial Statements

The Southern African Institute of Mining and Metallurgy

The SAIMM Scholarship Fund (Registration number IT 6837/02)

Financial statements

for the year ended 30 June 2012

Trustees' responsibilities and approval

The trustees 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 fund 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 of the fund. 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 of the fund and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees 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 fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing, and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the fund endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion 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 Institute's annual financial statements. The annual financial statements have been examined by the Institute's external auditor and his report is presented on page 840.

The annual financial statements set out on pages 841–844, which have been prepared on the going concern basis, were approved by the trustees on 16 August 2012 and were signed on their behalf by:

Financial statement signed by:

M.H. Rogers

Chairman

Financial statement signed by:

R.P. Mohring

Vice-chairman

Audit Report

To the members of The SAIMM Scholarship Fund

I have audited the annual financial statements of The SAIMM Scholarship Fund which comprise the statement of financial position as at 30 June 2012, 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, and the trustees' report, as set out on pages 841 to 844.

Trustees' responsibility for the annual financial statements

The fund's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the accounting policies of the fund, and for such internal control as the trustees 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 fund'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 fund's 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 fund as at 30 June 2012 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies of the fund.

Supplementary information

Without qualifying my opinion, I draw attention to the fact that supplementary information set out on page 844 does not form part of the financial statements and is presented as additional information. I have not audited this information and accordingly do not express an opinion on it.

Robert Henry Kitching
Registered Auditor

Annual Financial Statements

The Southern African Institute of Mining and Metallurgy

The SAIMM Scholarship Fund (Registration number IT 6837/02)

Annual Financial statements for the year ended 30 June 2012

Trustees' report

The trustees submit their report for the year ended 30 June 2012. This report forms part of the annual financial statements.

1. Registration

The fund was registered as a trust on 11 November 2002 with registration number IT 6837/02. The fund can sue and be sued in its own name.

2. Review of activities

Main business and operations

- The principal objects of the fund are to:
 - Support and promote, foster and advance the interests of the minerals industry by providing the beneficiaries with funds to be used to support the education of students in the minerals industry;
 - To collect monies and accept contributions in monies or otherwise by way of donations, bequests or otherwise and to apply the same or the income therefrom for all or any of the objects set out in (1) above.
- The principal address of the fund is 5th Floor, Chamber of Mines Building, 5 Hollard Street, Johannesburg. The fund has no full-time employees and is administered by The Southern African Institute of Mining and Metallurgy.

The SAIMM Scholarship Fund (Registration number IT 6837/02)

Statement of Financial Position at 30 June 2012

	Note(s)	2012 R	2011 R
Assets			
Non-Current Assets			
The Southern African Institute of Mining and Metallurgy	2	1 000	–
Current Assets			
Cash and cash equivalents		–	48 856
Total Assets		1 000	48 856
Reserves and Liabilities			
Reserves			
Founding settlement		1 000	1 000
Accumulated surplus		–	(589 026)
		1 000	(588 026)
Liabilities			
Non-current liabilities			
The Southern African Institute of Mining and Metallurgy	2	–	636 882
Total Equity and Liabilities		1 000	48 856

Annual Financial Statements

The Southern African Institute of Mining and Metallurgy

The SAIMM Scholarship Fund (Registration number IT 6837/02)

Statement of Comprehensive Income for the year ended 30 June 2012

	<i>Note(s)</i>	2012 R	2011 R
Donations received		589 026	255 834
Donations made and administration expenses		–	(425 927)
Operating surplus (deficit)		589 026	(170 093)
Investment revenue		–	8 125
Surplus (deficit) for the year		(589 026)	(161 968)
Other comprehensive income		–	–
Total comprehensive income (loss) for the year		589 026	(161 968)
		589 026	(161 968)

Statement of changes in reserves for the year ended 30 June 2012

	Founding settlement R	Accumulated surplus R	Total reserves R
Balance at 1 July 2010	1 000	(427 058)	(426 058)
Changes in reserves			
Total comprehensive deficit for the year	–	(161 968)	(161 968)
Total changes	–	(161 968)	(161 968)
Balance at 1 July 2011	1 000	(589 026)	(588 026)
Changes in reserves			
Total comprehensive income for the year	–	589 026	589 026
Total changes	–	589 026	589 026
Balance at 30 June 2012	1 000	–	1 000

Cash flow statement

for the year ended 30 June 2012

	<i>Note(s)</i>	2012 R	2011 R
Cash flows from operating activities			
Cash generated from (used in) operations		589 026	(170 093)
Interest income		–	8 125
Net cash from operating activities		589 026	(161 968)
Cash flows from investing activities			
Proceeds from loans payable		–	99 614
Repayment of loan		(637 882)	–
Net cash from investing activities		(637 882)	99 614
Total cash movement for the year		(48 856)	(62 3542)
Cash at the beginning of the year		48 856	111 210
Total cash at end of the year		–	48 856

Annual Financial Statements

The Southern African Institute of Mining and Metallurgy

The SAIMM Scholarship Fund (Registration number IT 6837/02)

Financial statements

for the year ended 30 June 2012

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, 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

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.

1.2 Financial instruments

1.2.1 Initial recognition

The fund classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognized on the fund's balance sheet when the fund becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are recognized initially at cost; transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the cost.

Assets carried at fair value: the change in fair value shall be recognized in profit or loss or in equity, as appropriate.

1.2.2 Subsequent measurement

After initial recognition, financial assets are measured as follows:

- Loans and receivables and held-to-maturity investments are measured at amortized cost using the effective interest method
- Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost
- Other financial assets, including derivatives, at fair values, without any deduction for transaction costs, which may arise on sale or other disposal.

After initial recognition, financial liabilities are measured as follows:

- Financial liabilities at fair value through profit or loss, including derivatives that are liabilities, are measured at fair value
- Other financial liabilities are measured at amortized cost using the effective interest method.

1.3 Loans receivable/payable

This includes a loan to The Southern African Institute of Mining and Metallurgy, the loan earns no interest, nor does it have any terms of repayment. This loan is carried at cost.

1.4 Revenue

Revenue comprises contributions received from donors and is recognized on receipt.

Annual Financial Statements

The Southern African Institute of Mining and Metallurgy

The SAIMM Scholarship Fund (Registration number IT 6837/02)

Notes to the financial statements for the year ended 30 June 2012

	2012 R	2011 R
2. Loans receivable/payable		
Loans payable		
The Southern African Institute of Mining and Metallurgy The loan is unsecured, interest free with no fixed terms of repayment. The Institute made a donation during the current year sufficient to eliminate the Trust's accumulated deficit.	1 000	(636 882)
Non-current assets	1 000	-
Non-current liabilities	-	(636 882)
	1 000	(636 882)

3. Taxation

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

Detailed income statement for the year ended 30 June 2012

	<i>Note(s)</i>	2012 R	2011 R
Donations received		589 026	255 834
Other income			
Interest received		-	8 125
Donations made and administration expenses			
Auditors remuneration		-	(6 000)
Bank charges		-	(1 427)
Donations made		-	(418 5000)
		-	(425 927)
Surplus (deficit) for the year		589 026	(161 968)