



■ Financial Statements of the South African Council for the Quantity Surveying Profession

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Executive Council's approval of the annual financial statements

The financial statements set out on pages 84 to 87 were approved by the Executive Committee on 19 November 2003, and signed on its behalf by:

Mr RL Chauke
President

Mr EF Wortmann
Registrar



Report of the independent auditors

to the members of the South African Council for the Quantity Surveying Profession

We have audited the annual financial statements of the South African Council for the Quantity Surveying Profession set out on pages 84 to 87 for the year ended 28 February 2003. These financial statements are the responsibility of the Council. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with the statements of South African Auditing Standards. Those 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 amount 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 Council at 28 February 2003 and the results of its operations and cash flows for the year then ended in accordance with the South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Supplementary information

The supplementary schedule set out on page 87 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.

G Naidoo & Associates
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Johannesburg
19 November 2003



Balance sheet

as at 28 February 2003

	2003 R	2002 R
Assets		
Current assets		
Accounts receivable	87 257	1 300 071
Cash and cash equivalents	53 448	68 182
Total assets	140 705	1 368 253
Equity and liabilities		
Capital and reserves		
Accumulated surplus	1 717	2 182
Current liabilities		
Accounts payable	62 506	192 332
Deferred income	-	976 790
The Association of South African Quantity Surveyors	76 482	196 949
Total equities and liabilities	140 705	1 368 253

Income statement

for the year ended 28 February 2003

	notes	2003 R	2002 R
Gross revenue	2	940 297	860 472
Other income		126 778	63 267
Operating costs		1 068 705	1 040 873
Operating deficit		(1 630)	(117 134)
Interest received		1 165	5 112
Deficit for the year		(465)	(112 022)
Accumulated surplus at beginning of year		2 182	5 112
Accumulated surplus at end of year		1 717	2 182

Statement of changes in equity

for the year ended 28 February 2003

	Distributable reserve R
Balance at 01 March 2001	114 204
Net loss for the year	(112 022)
Balance at 01 March 2002	2 182
Net loss for the year	(465)
Balance at 28 February 2003	1 717

Cash flow statement

for the year ended 28 February 2003

	<i>notes</i>	2003 R	2002 R
Cash flows from operating activities			
Cash receipts from customers		940 297	860 472
Cash paid to suppliers and employees		(956 196)	(930 076)
Cash utilised in operating activities	4.1	(15 196)	(69 604)
Interest received		1 165	5 112
Net cash from investing activities		(14 734)	(64 492)
Decrease in cash and cash equivalents	4.2	(14 734)	(64 492)
Cash and cash equivalents at beginning of the year		68 182	132 674
Cash and cash equivalents at end of the year	4.2	53 448	68 182



Notes to the financial statements

at 28 February 2003

1. Basis of preparation

The financial statements are prepared under the historical cost basis and incorporate the following principal accounting policies which are consistent with that of the previous years and comply with South African Statements of Generally Accepted Accounting Practice.

1.1 Revenue recognition

Subscription fees are recorded in the financial statements at the date when services are performed.

1.2 Debtors

Debtors are carried at anticipated realisable value. An estimate is made for doubtful debtors based on a review of all outstanding amounts at the year end. Bad debts are written off during the year which they are identified.

2. Gross revenue

Gross revenue comprises turnover, which excludes value added tax and represents the invoiced value of services supplied.

3. Taxation

No provision has been made for 2003 taxation as the Council is exempt from income tax under section 10 (1) (CN).

4. Notes to the cash flow statement

	2003 R	2002 R
4.1 Cash utilised in operating activities		
Net loss	(465)	(112 022)
Adjustments for:		
Interest received	(1 165)	(5 112)
Deferred revenue	-	976 790
Other non-cash items	-	197 149
	<u>(1 630)</u>	<u>1 056 805</u>
Movements in working capital		
Decrease (increase) in accounts receivable	1 212 814	(1 300 071)
Increase in accounts payable	(1 227 083)	173 662
	<u>(15 899)</u>	<u>69 604</u>
4.3 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<u>53 448</u>	<u>68 182</u>

Detailed income statement

for the year ended 28 February 2003

	2003 R	2002 R
Gross revenue		
Subscription fees	940 297	860 472
Other income	127 943	68 379
Bad debts recovered	59 025	-
Council examination and assessment of professional competence fees	46 410	47 885
Interest received	1 165	5 112
Registration fees	21 343	15 382
Total income	1 068 240	928 851
Expenditure	1 068 705	1 040 873
Administration fee - The Association of South African Quantity Surveyors	-	12 000
Advertising	-	4 386
Auditors' remuneration	12 425	7 650
Bad debts	-	108 000
Bank charges	14 460	8 727
CPD administration	57 288	-
Computer expenditure	13 017	9 489
Electricity and water	7 488	8 394
Inscribing certificates	-	356
Insurance	7 680	8 865
Leases, rentals, etc.	140 089	137 610
Legal expenses	5 124	8 251
Meeting expenses	125 102	89 929
Metropolitan Council levies	1 968	1 768
Postage	32 015	28 101
Printing and stationery	107 157	43 373
Repairs and maintenance	722	507
Salaries and wages	448 893	485 623
Staff benefits - retirement and medical aid	45 348	43 138
Staff recruitment	6 690	1 546
Sundry expenses	2 000	1 772
Telephone and telefax	39 734	29 696
Transport	1 505	1 692
Deficit for the year	(465)	(112 022)
Accumulated surplus at beginning of year	2 182	114 204
Accumulated surplus at end of year	1 717	2 182