

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

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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 95 to 98 for the year ended 29 February 2004. 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 29 February 2004 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.

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

Johannesburg
06 August 2004



Balance sheet

as at 29 February 2004

	2004	2003
	R	R
Assets		
Current assets		
Accounts receivable	128 810	87 257
Cash and cash equivalents	276 459	53 448
Total assets	405 269	140 705
Equity and liabilities		
Capital and reserves		
Accumulated surplus	9 403	1 717
Current liabilities	395 866	138 988
Accounts payable	153 218	62 506
The Association of South African Quantity Surveyors	242 648	76 482
Total equities and liabilities	405 269	140 705

Income sheet

for the year ended 29 February 2004

	notes	2004	2003
		R	R
Gross revenue	2	1 348 573	940 297
Other income		93 797	126 778
Operating costs		1 433 049	1 068 705
Operating surplus/(deficit) for the year	4	9 321	(1 630)
Interest received		288	2 123
Finance costs		(1 924)	(959)
Net surplus/(deficit) for the year		7 685	(466)
Accumulated surplus at beginning of year		1 718	2 184
Accumulated surplus at end of year		9 403	1 718



Statement of changes in equity

for the year ended 29 February 2004

	2004 R
Balance at 01 March 2002	2 184
Net loss for the year	(466)
Balance at 01 March 2003	1 718
Net profit for the period	7 685
Balance at 29 February 2004	9 403

Cash flow statement

for the year ended 31 March 2004

	<i>notes</i>	2004 R	2003 R
Cash flows from operating activities		223 011	(14 734)
Cash receipts from customers		1 142 830	940 297
Cash paid to suppliers and employees		(918 183)	(956 195)
Cash generated by (utilised in) operating activities	5.1	224 647	(15 196)
Interest received		288	2 123
Interest paid		(1 924)	(959)
Increase/(decrease) in cash and cash equivalents		233 011	(14 734)
Cash and cash equivalents at beginning of the year	5.2	53 448	68 182
Cash and cash equivalents at end of the year	5.2	276 459	53 448



Notes to the financial statements

at 29 February 2004

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 2004 taxation as the Council is exempt from income tax under section 10 (1) (CN).

4. Operating profit/(loss)

Operating surplus/(deficit) is stated after:

Expenditure

Auditors' remuneration

10 000

12 425

Audit fee

10 000

10 000

Prior year under-provision

-

2 425

Lease rentals

142 800

140 089

Premises

142 800

139 644

Equipment

-

445

2004	2003
R	R



5. Notes to the cash flow statement

	2004	2003
	R	R
5.1 Cash generated by (utilised in) operating activities		
Net profit (deficit) for the year	7 685	(466)
Adjustments for:		
Interest received	(288)	(2 123)
Finance costs	1 924	959
	<u>9 321</u>	<u>(1 630)</u>
Movements in working capital		
(Increase)/decrease in accounts receivable	(41 553)	1 212 814
Increase/(decrease) in accounts payable	256 879	(1 227 082)
	<u>224 647</u>	<u>(15 898)</u>
5.2 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>276 459</u>	<u>53 448</u>



Detailed income statement

for the year ended 31 March 2004

	2004 R	2003 R
Gross revenue		
Subscription fees	1 348 573	940 297
Other income	94 085	128 901
Bad debts recovered	-	59 025
Council examination and assessment of professional competence fees	63 809	46 410
Interest received	288	2 123
Registration fees	29 988	21 343
Total income	1 442 658	1 069 198
Expenditure	1 434 973	1 069 664
Auditors' remuneration	10 000 122	12 425
Bad debts	807	-
Bank charges	21 339	14 460
CPD administration	60 000	57 288
Computer expenditure	72 370	13 017
Council for the Built Environment	41 780	-
Discount allowed	42 944	-
Electricity and water	8 056	7 488
Inscribing certificates	7 142	-
Insurance	11 000	7 680
Interest	1 924	959
Leases, rentals, etc.	142 800	140 089
Legal expenses	1 096	5 124
Meeting expenses	121 782	125 102
Metropolitan Council levies	2 280	1 968
Postage	31 842	32 015
Printing and stationery	40 013	107 157
Repairs and maintenance	5 160 577	722
Salaries and wages	070	448 893
Staff benefits - retirement and medical aid	51 840	45 348
Staff recruitment	-	6 690
Sundry expenses	1 425	2 000
Telephone and telefax	59 205	39 734
Transport	1 098	1 505
Net surplus/(deficit for the year)	7 685	(466)
Accumulated surplus at beginning of year	1 718	2 184
Accumulated surplus at end of year	9 403	1 718

