

**THE SOUTH AFRICAN COUNCIL FOR THE
QUANTITY SURVEYING PROFESSION
(Incorporated under Act No. 49 of 2000)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE 13 MONTHS PERIOD ENDED 31 MARCH 2005**

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
ANNUAL FINANCIAL STATEMENTS
for the 13 months period ended 31 March 2005

Nature of business	Council for Quantity Surveyors
Business address	Bekker Road Waterfall Park Ground Floor Howick Gardens Midrand 1685
Postal address	P O Box 3527 Halfway House 1685
Bankers	Standard Bank Limited
Auditors	G Naidoo and Associates Chartered Accountants (S.A.) Registered Accountants and Auditors

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
ANNUAL FINANCIAL STATEMENTS
for the 13 months period ended 31 March 2005

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

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Council's approval of the annual financial statements

The Council is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors is responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with South African Auditing Standards. The financial statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act, 1973.

The Council is also responsible for the Council's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Council to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the 13 months period under review.

The financial statements have been prepared on the going concern basis, since the Council has every reason to believe that the Council has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 4 to 10 were approved by the Council on 02 August 2005 and signed on their behalf by:

President

Registrar

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION

We have audited the financial statements of The South African Council for the Quantity Surveying Profession set out on pages 4 to 9 for the 13 months period ended 31 March 2005. These financial statements is 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 amounts 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 as at 31 March 2005 and the results of its operations and cash flows for the 13 months period then ended in accordance with South African Statements of Generally Accepted Accounting Practice, appropriate to the business .

Supplementary information

The supplementary schedule set out on page 10 does not form part of the 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 and Associates
Chartered Accountants (S.A.)
Registered Accountants and Auditors
02 August 2005

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
BALANCE SHEET
at 31 March 2005

	2005	2004
	R	R
ASSETS		
Current assets	330,270	405,269
Accounts receivable	228,125	128,810
Cash and cash equivalents	102,145	276,459
TOTAL ASSETS	330,270	405,269
 EQUITY AND LIABILITIES		
Capital and reserves		
Accumulated surplus	73,849	9,404
Current liabilities		
Accounts payable	83,217	153,217
The Association of South African Quantity Surveyors	173,204	242,648
TOTAL EQUITY AND LIABILITIES	330,270	405,269

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
INCOME STATEMENT
for the 13 months period ended 31 March 2005

	Note	2005 R	2004 R
Gross revenue	2	1,783,658	1,348,573
Other income		122,994	93,797
Operating costs		<u>1,841,886</u>	<u>1,433,049</u>
Operating surplus	3	64,766	9,321
Interest received		-	288
Finance costs		<u>(321)</u>	<u>(1,924)</u>
Net surplus for the year		<u><u>64,445</u></u>	<u><u>7,685</u></u>

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
STATEMENT OF CHANGES IN EQUITY
for the 13 months period ended 31 March 2005

	Distributable reserve R
Balance at 01 March 2003	1,719
Net profit for the period (2002 - 2003)	<u>7,685</u>
Balance at 01 March 2004	9,404
Net profit for the period (2004 - 2005)	<u>64,445</u>
Balance at 31 March 2005	<u><u>73,849</u></u>

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
CASH FLOW STATEMENT
for the 13 months period ended 31 March 2005

	Notes	2005 R	2004 R
Cash flows from operating activities		(174,314)	223,011
Cash receipts from customers		1,815,995	1,142,830
Cash paid to suppliers and employees		(1,989,988)	(918,183)
Cash (utilised in)generated by operating activities	5.1	(173,993)	224,647
Interest received		-	288
Interest paid		(321)	(1,924)
(Decrease)increase in cash and cash equivalents		(174,314)	223,011
Cash and cash equivalents at beginning of the period	5.2	276,459	53,448
Cash and cash equivalents at end of the period	5.2	102,145	276,459

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
NOTES TO THE FINANCIAL STATEMENTS
for the 13 months period ended 31 March 2005

1 Basis of preparation

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

1.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

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

1.2 Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that the asset has been impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

1.3 Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

1.4 Financial instruments

Accounts receivables are stated at cost less provision for doubtful debts.

Cash and cash equivalents are measured at fair value.

Financial liabilities are recognised at their original debt less principal payments and amortisation.

1.5 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held with banks, net of bank overdrafts.

1.6 Accounts receivables

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

2. Gross revenue

Gross revenue comprises turnover, which excludes value-added tax and represents the invoiced value of services supplied, and includes one-twelfth of the fee billed in April 2005.

THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
NOTES TO THE FINANCIAL STATEMENTS
for the 13 months period ended 31 March 2005

	2005	2004
	R	R
3. Operating surplus		
Operating surplus is stated after:		
Expenditure		
Auditors' remuneration	11,300	10,000
Audit fee	11,250	10,000
Prior year under-provision	50	-
Lease rentals		
Premises	171,171	142,800
	171,171	142,800

4. Taxation

No provision has been made for 2005 taxation as the Council is exempt from income tax under section 10 (1) (cN) of the Income tax Act.

	2005	2004
	R	R
5. Notes to the cash flow statement		
5.1 Cash (utilised in)generated by operating activities		
Net profit	64,445	7,685
Adjustments for:		
Interest received	-	(288)
Finance costs	321	1,924
	64,766	9,321
Movements in working capital		
Increase in accounts receivable	(99,315)	(41,553)
(Decrease)increase in accounts payable	(139,444)	256,879
	(173,993)	224,647

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	102,145	276,459
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THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION
DETAILED INCOME STATEMENT
for the 13 months period ended 31 March 2005

	2005	2004
	R	R
Gross revenue		
Subscription fees received	1,783,658	1,348,573
Other income	122,994	94,085
Council examination and assessment of professional competence fees	67,527	63,809
Interest received	-	288
Other income	30,250	-
Registration fees	25,217	29,988
Total income	<u>1,906,652</u>	<u>1,442,658</u>
Expenditure	1,842,207	1,434,973
Accreditation costs	35,000	-
Auditors' remuneration	11,300	10,000
Bad debts	230,977	122,807
Bank charges	28,251	21,339
CPD Administration	70,421	60,000
Computer expenses	73,420	72,370
Contingencies	2,353	-
Council for built environment levies	97,346	41,780
Discount allowed	1,677	42,944
Electricity and water	9,750	8,056
Inscribing Certificates	-	7,142
Insurance	13,220	11,000
Interest	321	1,924
Lease rentals	171,171	142,800
Legal expenses	-	1,096
Meeting expenses	120,419	121,782
Metropolitan Council Levies	2,704	2,280
Postage	19,211	31,842
Printing and stationery	56,173	40,013
Repairs and maintenance	6,929	5,160
Salaries	754,566	577,070
Staff benefits - retirement and medical aid	64,989	51,840
Sundry expenses	-	1,425
Telephone and fax	71,586	59,205
Transport	423	1,098
Net surplus for the year	<u><u>64,445</u></u>	<u><u>7,685</u></u>