



**The Association of South African
Quantity Surveyors**

(incorporated under Act No. 36 of 1970)

Annual Financial Statements

for the year ended 28 February 2002



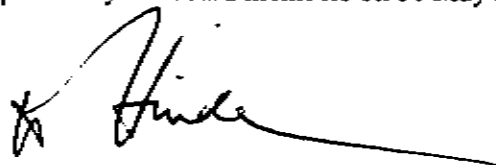
The Association of South African Quantity Surveyors
(incorporated under Act No. 36 of 1970)

Annual Financial Statements
for the year ended 28 February 2002

<i>Contents</i>	<i>Page</i>
Limited assurance report of the independent auditors	2
Income statement	3 – 4
Balance Sheet	5
Cash flow statement	6
Notes to financial statements	7 – 10
Specified fund balance sheets –	
Benevolent Fund	11
Building Entrepreneurial Development Committee	12
Education Support Fund	13
DJ Laing Memorial Fund	14
Staff Savings Fund	15

Board members approval of the annual financial statements

The annual financial statements for the year ended 28 February 2002 set out on pages 3 to 15 were approved by the board members on 31 May 2002 and are signed on its behalf by:



President



Director



KPMG Inc.

Johannesburg office
KPMG Crescent
85 Empire Road
Parktown
2193 South Africa

Mail address
Private Bag 9
Parkview
2122 South Africa

Telephone +27 (11) 647 7111
Telefax +27 (11) 647 8000
Docex 472 Johannesburg
Internet <http://www.kpmg.co.za/>

Limited assurance report of the independent auditors

To the members of The Association of South African Quantity Surveyors

We have reviewed the annual financial statements of The Association of South African Quantity Surveyors set out on pages 3 to 15 for the year ended 28 February 2002. These financial statements are the responsibility of the Board. Our responsibility is to issue a report on these financial statements based on our review.

Scope

We conducted our review in accordance with the Statement of South African Auditing Standards applicable to review engagements. This standard requires that we plan and perform the review to obtain moderated assurance that the financial statements are free of material misstatement. Our review was generally limited to analytical procedures, to discussion with association personnel responsible for financial and accounting matters, and the review and analysis of certain information and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not fairly presented, in all material respects, in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.

KPMG Inc.

*Registered Accountants and Auditor
Chartered Accountants (SA)*

Per C Esslemont
Partner
31 May 2002

Registered Accountants & Auditors

Chairman and Senior Partner: TW Grievé*

Policy Board: TH Bashaal, BG Bauer*, MWC Blomkamp, DR Broom*, AH Fandem, DJ Föschler*, D Friedland, TH Hoole*, D Jackson*, RM Kgosana*, FB Leith*, TJ Louw*, GJ Male, WA McKenzie*, AM Moxgabudi*, S Ntsobo, CM Read, MD Smith, YSH Suleman, D van Heerden*, JM Vica*, DJ Wataca

* Members of Executive Committee

The Company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

Registration number 1369/021543/21





The Association of South African Quantity Surveyors

Income statement

for the year ended 28 February 2002

	Note	2002		2001	
		R	R	R	R
Operating income					
Annual fees receivable less waived or written off	2	1 484 624		1 532 964	
Surplus on sale of inventories		<u>119 454</u>		<u>63 507</u>	
			1 604 078		1 596 471
Expenditure					
Africa Association of Quantity Surveyors	3	12 416		6 561	
Audit fees		29 250		21 643	
– provision for the year		23 600		15 000	
– under provision for prior year		5 650		6 643	
Bank charges		5 732		4 442	
BEP Convention		10 000		–	
Computer expenditure		9 489		4 459	
Contingencies		685		–	
Depreciation of furniture and equipment		20 536		29 454	
Donation to the Tobie Louw Bursary Fund		1 000		–	
Donation to the Bell John Memorial Fund		–		7 020	
QS Edutech Centre		192 768		343 854	
Electricity		8 394		15 059	
Fax – rental		8 002		4 982	
ICEC 2004		17 933		15 510	
ICEC fees		3 216		–	
Inscribing certificates		709		770	
Insurance		8 865		7 630	
Interest		11 346		3 808	
Internet expenses		51 211		49 579	
Legal fees		1 670		3 250	
Long service awards		2 219		1 249	
Loss on disposal of investment		55 116		–	
Loss on write off of furniture and equipment		–		455	
Management fee		–		–	
– Standard Corporate and Merchant Bank Limited		–		72	
– Investec Bank Limited		11 854		10 449	
Metropolitan Council Levies		1 768		1 595	
Office machine maintenance		135		953	
Office premises maintenance		372		–	
Postage		27 741		23 369	
Printing and stationery		63 615		52 770	
Prizes and medals		–		16 490	
PROCSA		5 000		5 000	
Production of “Project Pro”		124 722		123 828	
Publicity and public relations		157 229		94 370	
Refreshments and consumables		4 399		–	
Rent		129 607		121 243	
			(976 999)		(969 864)
– carried forward –			627 079		626 607



The Association of South African Quantity Surveyors

Income statement

for the year ended 28 February 2002 (continued)

	Note	2002	2001
		R	R
- brought forward -			626 607
Salaries and wages		439 183	386 736
Salary survey		3 208	-
Seminar expenses		2 500	24 822
Skills Development Levy		3 213	1 866
Sponsorship		693	-
Staff benefits - retirement and medical aid fund contributions		37 673	38 069
Staff recruitment		1 546	1 360
Staff workmens compensation		1 156	-
Statistics and forecasting		-	3 000
Sundry expenses		3 974	5 596
Telephone and telefax		29 696	34 594
Transport		1 692	1 198
<i>Expenses incurred by the presidential office, the Board and Association committees -</i>		423 759	416 857
President's allowance		7 900	7 200
President's overseas visits		46 980	46 921
Presidential tours		28 601	37 407
Vice President's tours		11 952	18 000
Expenses of members attending meetings		245 526	224 529
Annual grants to regional committees		82 800	82 800
		(948 293)	(914 098)
Operating deficit		(321 214)	(287 491)
Other income			
Administration fees			
- South African Council for Quantity Surveyors		12 000	11 000
- Various funds		23 306	35 330
Dividends		39 875	99 036
Edutech Centre		299 149	90 259
- Voluntary contributions		299 149	55 259
- Targeted procurements ADP		-	35 000
Enrolment fees		22 255	69 717
Income from the Tobie Louw Bursary Fund		-	1 000
Interest		109 720	81 872
Internet advertising		15 913	1 982
Profit on disposal of investments		-	420 417
Prizes and awards		1 830	-
Sundry income		1 180	4 933
Transfer from funds			
- Building Entrepreneurial Development Committee		-	200 000
		525 228	1 015 546
Surplus transferred to accumulated funds 4&9		204 014	728 055



The Association of South African Quantity Surveyors

Balance sheet

at 28 February 2002

	<i>Note</i>	2002 R	2001 R
Assets			
Non-current assets		1 070 317	1 109 840
Furniture and equipment	5	54 518	74 489
Investments	6	1 015 799	1 035 351
Current assets		2 524 893	2 299 189
Inventories	7	168 477	124 912
Accounts receivable	8	1 016 516	124 760
Cash and cash equivalents		1 339 900	2 049 517
Total assets		3 595 210	3 409 029
Reserves and liabilities			
Reserves			
Accumulated funds	9	2 464 160	2 260 146
Current liabilities			
Accounts payable	10	1 131 050	1 148 883
Total reserves and liabilities		3 595 210	3 409 029

h



The Association of South African Quantity Surveyors

Cash flow statement

for the year ended 28 February 2002

	Note	2002 R	2001 R
Cash (absorbed)/generated by operations	12.1	(811 737)	898 609
Interest received		109 720	81 872
Interest paid		(11 346)	(3 808)
Dividends received		39 875	99 036
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(673 488)	1 075 709
Net cash flows from investing activities		(32 483)	407 647
Addition to furniture and equipment		(565)	-
Additions to investments		(77 509)	(1 755 841)
Proceeds on disposal of investments		45 591	2 163 488
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(705 971)	1 483 356
Cash and cash equivalents at beginning of year		2 103 592	620 236
Cash and cash equivalents at end of year	12.2	1 397 621	2 103 592
		<hr/>	<hr/>



The Association of South African Quantity Surveyors

Notes to the financial statements

for the year ended 28 February 2002

1. Accounting policies

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year.

1.1 Basis of preparation

The financial statements are prepared on the historical cost basis.

1.2 Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is provided using the reducing balance method.

1.3 Impairment

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

1.4 Investments

Investments are stated at cost less amounts written off. Provision is made against investments where, in the opinion of the members, there has been permanent diminution in value. Dividends are accounted for to the extent that they are received.

1.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Obsolete, redundant and slow moving inventories are written down to their estimated net realisable values.

1.6 Provisions

Provisions are recognised when the association has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

The Association of South African Quantity Surveyors

Notes to the financial statements

for the year ended 28 February 2002 (continued)

1. Accounting policies (continued)

1.7 Short term employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to salaries, annual and sick leave represent the amount which the association has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current salary rates.

2. Annual fees receivable

The annual fees receivable by The Association of South African Quantity Surveyors were shared between the Association and The South African Council for Quantity Surveyors. The ratio in which the fees were shared for the year ended 28 February 2002 was 58 to 42 (2001 – 65 to 35).

3. Expenditure

Certain expenses of the Association and The South African Council for Quantity Surveyors are shared.

4. Taxation

Provision for taxation is not necessary as the Association is exempt from income tax.

5. Furniture and equipment

	Depreciation rate %	Cost R	Accumulated depreciation R	Carrying amount R
2002				
Audio visual equipment	20	10 344	8 736	1 608
Computer equipment	33	138 892	110 615	28 277
Office furniture and equipment	20	128 578	103 945	24 633
		277 814	223 296	54 518
2001				
Audio visual equipment	20	10 344	8 334	2 010
Computer equipment	33	138 892	96 499	42 393
Office furniture and equipment	20	128 013	97 927	30 086
		277 249	202 760	74 489

✓



The Association of South African Quantity Surveyors

Notes to the financial statements

for the year ended 28 February 2002 (continued)

5. Furniture and equipment <i>(continued)</i>	Carrying amount at beginning of year	Additions	Depreciation	Carrying amount at end of year
	R	R	R	R
Audio visual equipment	2 010	–	(402)	1 608
Computer equipment	42 393	–	(14 116)	28 277
Office furniture and equipment	30 086	565	(6 018)	24 633
	<u>74 489</u>	<u>565</u>	<u>(20 536)</u>	<u>54 518</u>
6. Investments	2002	Market value	2001	Market value
	Cost	R	Cost	R
Unit trusts –				
Investec Bank Limited Managed Funds	958 078	1 070 539	981 276	940 490
Call deposits	57 721	57 721	54 075	54 075
	<u>1 015 799</u>	<u>1 128 260</u>	<u>1 035 351</u>	<u>994 565</u>
7. Inventories			2002	2001
			R	R
Technical publications			145 817	93 780
Association crests, ties and cuff links			13 924	15 722
Medals and badges			8 736	15 410
			<u>168 477</u>	<u>124 912</u>
8. Accounts receivable				
The South African Council for Quantity Surveyors			197 149	–
Trade receivables			798 217	90 307
Deposits			15 900	27 275
Sundry debtors			5 250	7 178
			<u>1 016 516</u>	<u>124 760</u>

h



The Association of South African Quantity Surveyors

Notes to the financial statements

for the year ended 28 February 2002 (continued)

	2002 R	2001 R
9. Accumulated funds		
Balance at beginning of year	2 260 146	1 532 091
Surplus for the year transferred from income statement	204 014	728 055
	<u>2 464 160</u>	<u>2 260 146</u>
10. Accounts payable		
The South African Council for Quantity Surveyors	-	125 205
Benevolent fund	379 247	464 493
Building Entrepreneurial Development Committee	2 611	2 611
The Education Support Fund	37 689	69 689
DJ Laing Memorial Fund	235 404	233 566
Trade payables	62 976	126 380
Subscriptions, enrolments and levies received in advance	13 356	14 965
Sundry payables	399 767	111 974
	<u>1 131 050</u>	<u>1 148 883</u>
11. Commitments		
Future operating lease charges for premises and office equipment		
- payable within one year	41 508	239 500
- payable thereafter	-	41 508
	<u>41 508</u>	<u>281 008</u>
12. Notes to the cash flow statement		
12.1 Cash (absorbed)/generated by operations		
Surplus before interest and dividends	65 765	550 955
Adjustment for -		
Depreciation of furniture and equipment	20 536	29 454
Loss on write off of furniture and equipment	-	455
(Loss)/profit on disposal of investments	55 116	(420 417)
Operating profit before working capital changes	<u>141 417</u>	<u>160 447</u>
Increase in inventories	(43 565)	(34 843)
Increase in accounts receivable	(891 756)	(35 206)
(Decrease)/increase in accounts payable	(17 833)	808 211
	<u>(811 737)</u>	<u>898 609</u>
12.2 Cash and cash equivalents at end of year		
Bank and cash	1 339 900	2 049 517
Cash portion of investment	57 721	54 075
	<u>1 397 621</u>	<u>2 103 592</u>



The Association of South African Quantity Surveyors

Benevolent Fund

Balance sheet

at 28 February 2002

	2002	2001
	R	R
Assets		
Current assets		
Accounts receivable		
– The Association of South African Quantity Surveyors	<u>379 247</u>	<u>464 493</u>
Total assets	<u>379 247</u>	<u>464 493</u>
Reserves		
Accumulated funds		
Balance at beginning of year	464 493	497 961
Income		
Lionheart for RICS members	13 041	11 856
Voluntary contributions	<u>–</u>	<u>55 259</u>
	<u>13 041</u>	<u>67 115</u>
Expenditure		
Administration fee		
– The Association of South African Quantity Surveyors	18 979	17 254
Grants-in-aid	79 308	72 108
Loan written off	<u>–</u>	<u>11 221</u>
	<u>98 287</u>	<u>100 583</u>
Deficit of income over expenditure	<u>(85 246)</u>	<u>(33 468)</u>
Total reserves	<u>379 247</u>	<u>464 493</u>



The Association of South African Quantity Surveyors

Building Entrepreneurial Development Committee

Balance sheet

at 28 February 2002

	2002	2001
	R	R
Assets		
Current assets		
Accounts receivable		
– The Association of South African Quantity Surveyors	<u>2 611</u>	<u>2 611</u>
Total assets	<u>2 611</u>	<u>2 611</u>
Reserves		
Accumulated funds		
Balance at beginning of year	2 611	208 363
Expenditure		
Administration fee		
– The Association of South African Quantity Surveyors	<u>-</u>	<u>5 752</u>
	<u>-</u>	<u>5 752</u>
Deficit of income over expenditure	-	(5 752)
Less distribution to		
– The Association of South African Quantity Surveyors	<u>-</u>	<u>(200 000)</u>
Total reserves	<u>2 611</u>	<u>2 611</u>



The Association of South African Quantity Surveyors

Education Support Fund

Balance sheet

at 28 February 2002

	2002		2001
	R	R	R
Assets			
Current assets			
Accounts receivable			
– The Association of South African Quantity Surveyors	37 689		69 689
Loans to students	9 075		9 075
Total assets	<u>46 764</u>		<u>78 764</u>
Reserves			
Accumulated funds			
Balance at beginning of year		78 764	121 527
Income			
Interest	–		1 049
Loan repayment	–		5 058
	<u>–</u>		<u>6 107</u>
Expenditure			
Administration fee			
– The Association of South African Quantity Surveyors	–		12 324
Attorney fees	–		570
Bad debts	–		10 976
Grants			
– Universities and Technikons	32 000		–
– Certificate programme	–		25 000
	<u>32 000</u>		<u>48 870</u>
Deficit of income over expenditure		<u>(32 000)</u>	<u>(42 763)</u>
Total reserves		<u>46 764</u>	<u>78 764</u>



The Association of South African Quantity Surveyors

DJ Laing Memorial Fund

Balance sheet

at 28 February 2002

	2002	2001
	R	R
Assets		
Current assets		
Accounts receivable		
– The Association of South African Quantity Surveyors	<u>235 404</u>	<u>233 566</u>
Total assets	<u>235 404</u>	<u>233 566</u>
Reserves		
Accumulated funds		
Balance at beginning of year	233 566	217 196
Income		
Interest	<u>18 665</u>	16 370
	<u>18 665</u>	
Expenditure		
Administration fee		
– The Association of South African Quantity Surveyors	4 327	
Book prizes	<u>12 500</u>	
	<u>16 825</u>	
Surplus of income over expenditure	<u>1 838</u>	
Total reserves	<u>235 404</u>	<u>233 566</u>



The Association of South African Quantity Surveyors

Staff Savings Fund

Balance sheet

at 28 February 2002

	2002		2001	
	R	R	R	R
Assets				
Non-current assets				
Investments				
- Nedcor Bank Limited - notice deposit		<u>68 704</u>		<u>46 107</u>
Reserves				
Accumulated funds				
Balance at beginning of year		46 107		72 585
Contributions				
Employers contributions	9 281		10 175	
Staff contributions	9 281		10 175	
Interest	<u>4 035</u>		<u>5 204</u>	
	<u>22 597</u>		<u>25 554</u>	
Funds withdrawn		<u>-</u>		<u>52 031</u>
Surplus/(deficit) of contributions over withdrawals		<u>22 597</u>		<u>(26 478)</u>
Total reserves		<u>68 704</u>		<u>46 107</u>

h