

**THE ASSOCIATION OF SOUTH AFRICAN
QUANTITY SURVEYORS**
(Incorporated under Act No. 49 section 42(4) of 2000)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2004

Prepared By



Registered Accountants And Auditors

**THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
FINANCIAL STATEMENTS
for the year ended 29 February 2004**

Nature of business	Association for Quantity Surveyors
Business address	Bekker Road Waterfall Park Ground Floor Howick Gardens 1686
Postal address	PO Box 3527 Halfway House 1685
Bankers	Standard Bank Limited Halfway House
Auditors	G Naidoo & Associates Chartered Accountants (S.A.) Registered Accountants and Auditors

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
FINANCIAL STATEMENTS
for the year ended 29 February 2004

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

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The following supplementary schedules do not form part of the financial statements, and are unaudited.


Detailed income statement	13 - 14
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Annexures


Benevolent Fund	"A"
The Building Entrepreneurial Development Committee	"B"
Education Support Fund	"C"
DJ Laing Memorial Fund	"D"
Staff Fund	"E"

Board members approval of the annual financial statements


The financial statements which appear on pages 4 to 14 were approved by the executive committee on 6 August 2004 and are signed on its behalf by:



President



Finance chairman



Director

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS**

We have audited the annual financial statements of The Association of South African Quantity Surveyors set out on pages 4 to 12 for the year ended 29 February 2004. These financial statements are the responsibility of the association. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with 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 association at 29 February 2004 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Supplementary information

The supplementary schedules set out on page 13 and 14 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

G. Naidoo & Associates

**G Naidoo & Associates
Chartered Accountants (S.A.)
Registered Accountants and Auditors
Johannesburg
06 August 2004**

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
BALANCE SHEET
as at 29 February 2004

	Notes	2004 R	2003 R
ASSETS			
Non-current assets		1,231,559	1,153,405
Property, plant and equipment	2	130,934	97,337
Investments	3	1,100,625	1,056,068
Current assets		3,318,494	2,155,239
Inventories	4	310,937	214,477
Accounts receivable	5	364,938	199,175
Cash and cash equivalents		2,642,619	1,741,587
TOTAL ASSETS		4,550,053	3,308,644
 EQUITY AND LIABILITIES			
Capital and reserves			
Retained surplus		2,849,892	2,236,887
Current liabilities			
Accounts payable	6	1,700,161	1,071,757
TOTAL EQUITY AND LIABILITIES		4,550,053	3,308,644

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
INCOME STATEMENT
for the year ended 29 February 2004

	Note	2004 R	2003 R
Gross revenue	7	2,284,575	1,959,156
Other income		82,614	(10,302)
Operating costs		<u>1,926,497</u>	<u>2,038,502</u>
Operating surplus(deficit)	8	440,692	(89,648)
Interest received		173,137	169,802
Finance costs		<u>(824)</u>	<u>(8,279)</u>
Net surplus for the year		613,005	71,875
Retained surplus at beginning of year		<u>2,236,887</u>	<u>2,165,012</u>
Retained surplus at end of year		<u><u>2,849,892</u></u>	<u><u>2,236,887</u></u>

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
STATEMENT OF CHANGES IN EQUITY
for the year ended 29 February 2004

	Retained surplus R
Balance at 01 March 2002	2,165,012
Net profit for the year	<u>71,875</u>
Balance at 01 March 2003	2,236,887
Net profit for the year	<u>613,005</u>
Balance at 29 February 2004	<u><u>2,849,892</u></u>

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
CASH FLOW STATEMENT
for the year ended 29 February 2004

	Notes	2004 R	2003 R
Cash flows from operating activities		1,014,404	442,642
Cash receipts from customers		1,982,992	1,888,566
Cash paid to suppliers and employees		(1,140,901)	(1,607,447)
Cash generated by operating activities	11.1	842,091	281,119
Interest received		154,796	157,475
Interest paid		(824)	(8,279)
Dividends received		18,341	12,327
 Cash flows from investing activities		 (113,372)	 (109,659)
Property, plant and equipment acquired		(69,759)	(71,678)
Proceeds of disposals of property, plant and equipment		-	1,246
Investments		(43,613)	(39,227)
 Increase in cash and cash equivalents		 901,032	 332,983
Cash and cash equivalents at beginning of the year	11.2	1,741,587	1,408,604
 Cash and cash equivalents at end of the year	11.2	 <u>2,642,619</u>	 <u>1,741,587</u>

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
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

Sales are recorded in the financial statements at the date the goods are delivered to customers or services are performed.

1.2 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.

1.3 Property, plant and equipment

property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided using the reducing balance method

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Audio Visual Equipment	20 %
Office furniture and equipment	20 %
Computer equipment	33 %

1.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average method. Where necessary, provision is made for obsolete, slow moving and defective inventories.

1.5 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.

1.6 Provisions

Provisions are recognised when the association has a present legal or constructive obligation as a result of past events, 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.

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

1.7 Employee benefits

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

1.8 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.

2. Property, plant and equipment

	2004			2003		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Audio Visual Equipment	10,344	9,315	1,029	10,344	9,058	1,286
Office equipment	220,360	124,305	96,055	150,601	101,731	48,870
Computer equipment	174,646	140,796	33,850	174,646	127,465	47,181
	<u>405,350</u>	<u>274,416</u>	<u>130,934</u>	<u>335,591</u>	<u>238,254</u>	<u>97,337</u>

The carrying amounts of property, plant and equipment can be reconciled as follows:

2003	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
	R	R	R	R	R
Audio Visual Equipment	1,608	-	-	(322)	1,286
Office equipment	24,633	33,374	(223)	(8,914)	48,870
Computer equipment	28,277	38,304	(466)	(18,934)	47,181
	<u>54,518</u>	<u>71,678</u>	<u>(689)</u>	<u>(28,170)</u>	<u>97,337</u>
2004	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
	R	R	R	R	R
Audio Visual Equipment	1,286	-	-	(257)	1,029
Office equipment	48,870	69,759	-	(22,574)	96,055
Computer equipment	47,181	-	-	(13,331)	33,850
	<u>97,337</u>	<u>69,759</u>	<u>-</u>	<u>(36,162)</u>	<u>130,934</u>

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

	2004	2003
	R	R
3. Investments		
Unit trusts at cost		
Investec Bank Limited Managed Funds	<u>1,100,625</u>	<u>1,056,068</u>
Market value	<u>1,293,799</u>	<u>1,032,867</u>
	2004	2003
	R	R
4. Inventories		
The amounts attributable to the different categories are as follows:		
Technical publications	295,152	192,767
Medals and badges	6,230	7,786
Association crests, ties and cuff links	<u>9,555</u>	<u>13,924</u>
	<u>310,937</u>	<u>214,477</u>
5. Accounts receivable		
The South African Council for Quantity Surveyors	242,648	76,481
Trade receivables	85,149	97,760
Deposits	15,900	15,900
Sundry debtors	<u>21,242</u>	<u>9,034</u>
	<u>364,939</u>	<u>199,175</u>
6. Accounts Payable		
Benevolent Fund (Annexure "A")	318,698	377,996
Building Entrepreneurial Development Committee (Annexure "B")	108,228	68,607
The Education Support Fund (Annexure "C")	150,386	110,765
DJ Laing Memorial Fund (Annexure "D")	258,842	245,189
Staff Fund (Annexure "E")	98,009	96,580
Subscriptions, enrollments and levies received in advance	37,378	28,218
Sundry payables	670,305	70,929
Trade payables	<u>58,315</u>	<u>73,473</u>
	<u>1,700,161</u>	<u>1,071,757</u>
7. Gross revenue		
Gross revenue comprises turnover, which excludes value-added tax and represents the invoiced value of goods and services supplied.		

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

	2004 R	2003 R
8. Operating surplus(deficit)		
Operating surplus(deficit) is stated after:		
Income		
Profit on disposals of property, plant and equipment	-	557
Expenditure		
Auditors' remuneration	28,700	29,475
Audit fee	28,700	25,000
Prior year under-provision	-	4,475
Depreciation	36,162	28,170
Audio visual equipment	257	322
Office equipment	22,574	8,914
Computer equipment	13,331	18,934
Lease rentals	49,909	92,969
Premises	49,909	91,649
Equipment	-	1,320
Research and development	17,178	5,004
9. Taxation		
No provision has been made for 2004 taxation as the Association is exempt from income tax under section 10(1) (cN)		
10. Expenses incurred by the presidential office, the Board and Association committees		
President's allowance	5,700	6,384
President's overseas visits	48,517	32,967
Presidential tours	41,090	44,054
Vice President's tours	22,160	11,060
Expenses of members attending meetings	300,544	291,099
Annual grants to regional committees	90,000	90,000
	508,011	475,564

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

	2004 R	2003 R
11. Notes to the cash flow statement		
11.1 Cash generated by operating activities		
Net profit	613,005	71,875
Adjustments for:		
Depreciation	36,162	28,170
Interest received	(173,137)	(169,802)
Finance costs	824	8,279
Profit on disposals of property, plant and equipment	-	(557)
Profit on disposal of investments	(944)	(1,042)
	475,910	(63,077)
Movements in working capital		
Increase in inventories	(96,460)	(46,000)
(Increase)decrease in accounts receivable	(165,763)	788,180
Increase(decrease) in accounts payable	628,404	(397,984)
	842,091	281,119
11.2 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	2,642,619	1,741,587

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
DETAILED INCOME STATEMENT
for the year ended 29 February 2004

	Notes	2004 R	2003 R
Gross revenue		2,284,575	1,959,156
Subscription fees		2,110,332	1,840,307
Surplus on sale of inventories		174,243	118,849
Other income		255,751	159,500
Administration fees		27,906	27,837
Dividends received		18,341	12,327
Enrolment fees		19,665	13,329
Interest received		154,796	157,475
Internet advertising		-	(64,021)
Profit on disposal of investments		944	1,042
Profit on disposal of property, plant and equipment		-	557
Sundry income		34,099	10,954
Total income		2,540,326	2,118,656
Expenditure (Refer page 14)		1,927,321	2,046,781
Surplus for the year		613,005	71,875
Retained surplus at beginning of year		2,236,887	2,165,012
Retained surplus at end of year		2,849,892	2,236,887

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
DETAILED INCOME STATEMENT
for the year ended 29 February 2004

	Notes	2004 R	2003 R
Expenditure		1,927,321	2,046,781
Africa Association of Quantity Surveyors		20,593	8,296
Assets scrapped		-	493
Auditors' remuneration		28,700	29,475
BEP Convention		6,000	1,033
Bad debts		136,481	70,590
Bank charges		5,734	7,353
Computer expenditure		29,083	16,349
Consulting fees		6,330	64,352
Depreciation		36,162	28,170
Discount allowed		8,577	-
Donation to the Bell John Memorial Fund		6,240	5,460
Donation to the Tobie Louw Bursary Fund		1,000	-
Electricity and water		13,291	9,258
Expenses incurred by the Presidential office, the Board and Association committees	10	508,011	475,564
ICEC 2004		92,019	84,476
ICEC fees		2,057	3,318
Inscribing Certificates		4,384	14,879
Insurance		24,821	18,586
Interest		824	8,279
Internet expenses		51,394	58,279
Lease rentals		49,909	92,969
Legal expenses		2,158	20,749
Management fee		10,767	11,049
Metropolitan Council Levies		1,385	1,806
PROCSA		5,000	5,000
Marketing and members benefits		19,922	-
Postage		46,165	28,869
Printing and stationery		84,189	89,841
Prizes and medals		6,380	6,180
Production of "ASAQS Journal "		4,269	53,195
Publicity and public relations		9,555	3,886
QS Edutech Centre		(12,398)	133,167
Refreshments and consumables		900	2,107
Repairs and maintenance		812	8,047
Research and development		17,178	5,004
Retrenchment costs		-	112,900
Salaries and wages		613,824	473,741
Skills development levy		4,297	3,933
Sponsorship		781	746
Staff benefits - retirement and medical aid		20,324	33,696
Staff recruitment		-	10,348
Sundry expenses		10,061	4,099
Telephone and telefax		49,044	39,734
Transport		1,098	1,505

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
BENEVOLENT FUND

BALANCE SHEET
at 29 February 2004

	2004 R	2003 R
ASSETS		
Current assets		
Accounts receivable The Association of South African Quantity Surveyors	318 698	377 996
TOTAL ASSETS	<u>318 698</u>	<u>377 996</u>
RESERVES		
Accumulated funds		
Balance at beginning of year	377 996	424 245
Deficit of income over expenditure	(59 298)	(46 249)
Income	55 402	59 344
Lionheart for RICS members	15 781	14 346
Voluntary contributions	39 621	44 998
Expenditure	114 700	105 593
Admin fee – The Association of South African Quantity Surveyors	20 877	20 877
Grants in aid	93 823	84 716
TOTAL RESERVES	<u>318 698</u>	<u>377 996</u>

ANNEXURE "B"

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
THE BUILDING ENTREPRENEURIAL DEVELOPMENT COMMITTEE

BALANCE SHEET
at 29 February 2004

	2004 R	2003 R
ASSETS		
Current assets		
Accounts receivable The Association of South African Quantity Surveyors	108 228	68 607
TOTAL ASSETS	<u>108 228</u>	<u>68 607</u>
RESERVES		
Accumulated funds		
Balance at beginning of year	68 607	47 609
Surplus of income over expenditure	39 621	20 998
Income	39 621	44 998
Voluntary contributions	-	24 000
Expenditure	-	24 000
Grants – Universities and Technikons	-	-
TOTAL RESERVES	<u>108 228</u>	<u>68 607</u>

04 | 05

+ 35000

ANNEXURE "C"

**THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
EDUCATION SUPPORT FUND**

**BALANCE SHEET
at 29 February 2004**

	2004 R	2003 R
ASSETS		
Current assets		
Accounts receivable The Association of South African Quantity Surveyors	150 386	110 765
	<u>150 386</u>	<u>110 765</u>
TOTAL ASSETS		
RESERVES		
Accumulated funds		
Balance at beginning of year	110 765	91 762
Surplus of income over expenditure	39 621	19 003
Income		
Voluntary contributions	39 621	44 998
Expenditure		
Bad debts	-	25 995
Grants – Universities and Technikons	-	25 000
	<u>150 386</u>	<u>110 765</u>
TOTAL RESERVES		

ANNEXURE "D"

THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS
DJ LAING MEMORIAL FUND

BALANCE SHEET
at 29 February 2004

2004

2003

R

R

ASSETS

Current assets

Accounts receivable

The Association of South African Quantity Surveyors

258 842

245 188

TOTAL ASSETS

258 842245 188

RESERVES

Accumulated funds

Balance at beginning of year

245 188

235 404

Surplus of income over expenditure

13 654

9 784

Income

Interest received

22 683

26 744

Expenditure

Admin fec – The Association of South African Quantity Surveyors

9 029

16 960

Bursary – Ms. CN Sennoga

7 029

6 960

Prizes

-

10 000

2 000

-

TOTAL RESERVES

258 842245 188

ANNEXURE "E"

**THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SUVEYORS
STAFF FUND**

**BALANCE SHEET
at 29 February 2004**

	2004 R	2003 R
ASSETS		
Non current assets		
Investments		
Nedcor Bank Limited – Notice deposits	98 009	96 580
	<u>98 009</u>	<u>96 580</u>
TOTAL ASSETS		
RESERVES		
Accumulated funds		
Balance at beginning of year	96 580	68 704
Surplus of income over expenditure	1 429	27 876
Contributions	30 819	27 876
Employee contributions	11 004	10 252
Staff contributions	11 004	10 252
Interest	8 810	7 372
Expenditure		
Funds withdrawn	29 390	-
	<u>98 009</u>	<u>96 580</u>
TOTAL RESERVES		