

5. ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

1 STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

| | Notes | 2015 R'000 | 2014 R'000 |
|---|-------|----------------|----------------|
| Assets | | | |
| Non-current assets | | | |
| Property and equipment | 3 | 201 424 | 190 864 |
| Intangible assets | 4 | 3 579 | 4 363 |
| Heritage assets | 25 | 17 567 | - |
| Current assets | | 273 026 | 242 040 |
| Inventories | 5 | 5 | 5 |
| Trade and other receivables | 7 | 21 084 | 16 190 |
| Cash and cash equivalents | 8 | 251 937 | 225 845 |
| Total assets | | 495 596 | 437 267 |
| Net assets and liabilities | | | |
| Net assets | | | |
| Accumulated surplus | | 336 658 | 333 746 |
| Non-current liabilities | | | |
| Post-employment benefit liabilities | 6 | 7 012 | 5 357 |
| Current liabilities | | | |
| Trade and other payables | 9 | 24 130 | 11 846 |
| Deferred income | 10 | 112 996 | 72 265 |
| Accruals | 11 | 14 800 | 14 053 |
| Total net assets and liabilities | | 495 596 | 437 267 |

2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2015

| | Notes | 2015 R'000 | 2014 R'000 |
|--|-------|-----------------|---------------|
| Revenue | 12 | 287 266 | 293 122 |
| Cost of commercial projects | 12 | (20 875) | (25 203) |
| Cost of statutory projects | 12 | (114 376) | (114 759) |
| | | | |
| Gross surplus | | 152 015 | 153 160 |
| Other operating income | 12 | 9 401 | 9 295 |
| Administrative expenses | | (184 188) | (167 019) |
| Other operating expenses | 12 | (5 231) | (5 348) |
| Interest received | 13 | 13 368 | 14 182 |
| Surplus from operations | | (14 635) | 4 270 |
| Finance cost | 14 | (20) | (496) |
| Net (loss)/surplus for the year | | (14 655) | 3 774 |

3 STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31 MARCH 2015

| | Notes | Accumulated surplus R'000 | Total R'000 |
|---|-------|------------------------------|----------------|
| Balance at 31 March 2014 | | 334 726 | 334 726 |
| Correction of prior period error | 24.2 | 2 324 | 2 324 |
| Correction of prior period error | 24.2 | (4 368) | (4 368) |
| Correction of prior period error | 24.1 | 1 064 | 1 064 |
| Balance at 31 March 2014 as restated | | 333 746 | 333 746 |
| Effect of take-on of heritage assets | 25 | 17 567 | 17 567 |
| Balance at 31 March 2015 | | 351 313 | 351 313 |
| Net loss for the period | | (14 655) | (14 655) |
| Balance at 31 March 2015 | | 336 658 | 336 658 |

4 CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015

| | Notes | 2015 R'000 | 2014 R'000 |
|---|-------|---------------|---------------|
| Cash inflow from operating activities | | 57 833 | 38 158 |
| Cash receipts from customers | | 286 073 | 322 425 |
| Cash paid to suppliers and employees | | (241 589) | (297 953) |
| Cash generated from operations | 15 | 44 485 | 24 472 |
| Interest received | 13 | 13 368 | 14 182 |
| Finance cost | 14 | (20) | (496) |
| Cash outflow from investing activities | | (31 741) | (19 731) |
| Acquisition of: | | | |
| Property and equipment | 16.1 | (31 192) | (16 843) |
| Intangible assets | 16.2 | (549) | (2 898) |
| Proceeds on disposal of property and equipment | | - | 10 |
| Net increase in cash and cash equivalents | | 26 092 | 18 427 |
| Cash and cash equivalents at beginning of period | 8 | 225 845 | 207 418 |
| Cash and cash equivalents at end of period | 8 | 251 937 | 225 845 |

5 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

1 Accounting policies

1.1 Basis of preparation

Statement of compliance

1. The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements have been prepared on a historic cost basis and accounting policies are consistent with prior years.

These annual financial statements have been prepared on a going concern basis, i.e. the assumption that the Council for Geoscience will continue to operate as a going concern for at least the next twelve months.

2. The cash flow statement has been prepared in accordance with the direct method.
3. Specific information has been presented separately on the statement of financial position such as:
 - (a) receivables from non-exchange transactions, including taxes and transfers;
 - (b) taxes and transfers payable;
 - (c) trade and other payables from non-exchange transactions.

Paragraphs 11 to 15 of GRAP 1 have not been implemented due to the fact that the budget reporting standard has not been developed by the local standard setters and the international standard is not effective for the current financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

1.2 Revenue recognition

Revenue comprises the revenue from non-exchange transactions recognised as income in the current year, contract income and sales of publications.

1.2.1 Recognition of income

The Council for Geoscience measures revenue at the fair value of the consideration received or receivable. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Council for Geoscience, and the amount of revenue and associated costs incurred or to be incurred can be measured reliably.

1.2.2 Revenue from non-exchange transactions

The Council for Geoscience received grants in the form a baseline allocation from the Department of Mineral Resources.

Revenue from non-exchange transactions is recorded as deferred income when it is received. It is then recognised as income on a systematic basis over the period intended to match this revenue with the related costs.

1.2.3 Revenue from exchange transactions

Revenue from exchange transactions comprises sales and contract revenue as follows:

Sales revenue

Sales revenue represents the invoiced value of goods and services supplied by the Council for Geoscience. This revenue is recognised when the revenue recognition criteria are met.

Contract revenue

Revenue from contracts is recognised by means of progress payments over the duration of the contracts. Revenue from contracts in progress is recognised when the revenue criteria are met. When the outcome of a contract can be estimated reliably, revenue is recognised by referring to the stage of completion of the contract outcome.

1.3 Interest received

Interest is recognised on a time-proportionate basis with reference to the principal amount receivable and the effective interest rate applicable.

1.4 Property and equipment

Property and equipment are tangible non-current assets that are held for use in the production or supply of goods and services, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Council for Geoscience; and
- the cost of the item can be measured reliably.

Land and buildings were valued at initial recognition and subsequently only the buildings are depreciated on a straight line method.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If the cost of a replacement part is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised. Property and equipment are carried at cost less accumulated depreciation and any impairment losses.

Day to day expenses incurred on property and equipment are expensed directly to surplus and deficit for the period. Where an asset is acquired at no cost, or at a nominal cost, its cost is its fair value as at the date of acquisition. Major maintenance that meets the recognition criteria of an asset is capitalised.

Depreciation is provided on all property and equipment other than freehold land, to write down the cost, less residual value, by equal instalments over their average useful lives, as follows:

| | |
|--------------------------------------|---|
| Land | Not depreciable |
| Buildings | 30 years |
| Motor vehicles | 5 to 8 years |
| Equipment | 5 to 7 years |
| Aircraft and helicopter - Body | 15 years |
| Aircraft and helicopter - Components | Useful hours per Civil Aviation Authority |
| Boat | 10 years |
| Office furniture | 20 years |
| Computer equipment | 6 years |
| Specialised equipment | 15 years |

The depreciation charges for each period are recognised in the statement of financial performance, unless they are included in the carrying amount of another asset.

The average useful lives and residual values are reviewed on an annual basis and changes are reflected as change in accounting estimates on a prospective basis.

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Capitalised computer software is carried at cost less accumulated amortisation and less accumulated impairment losses. Computer software is tested annually for impairment or changes in estimated future benefits. Amortisation is provided to write down the intangible assets to their residual, on a straight line basis, being two to five years.

1.6 Heritage assets

Heritage assets are assets held for their cultural, environmental or historical significance. Heritage assets are initially recognised at fair value which has been determined, due to the nature of heritage assets, by specialised valuers. Heritage assets are reflected at fair value and are not depreciated.

1.7 Inventories

The Council for Geoscience is a custodian of scientific information and produces publications in the form of books, maps and map explanations, etc. These publications are distributed to the public for free or at a nominal charge.

Inventories are initially measured at fair value.

1.8 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the Rand and the foreign currency at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in the statement of financial performance in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.9 Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from research and development is recognised as part of intangible assets only if all of the following conditions are met:

- An asset is created that can be identified;
- It is probable that the asset created will generate future economic benefits;
- The development cost of the asset can be measured reliably;
- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- It is possible to use or sell the intangible asset; and
- It is the intention to complete the intangible asset so that it will be available for use or sale.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Internally generated assets are amortised on a straight line basis over their useful lives.

1.10 Deferred income

Deferred income is recognised using the accrual basis and accounted for in the statement of financial position in the period in which it satisfies the revenue recognition criteria.

1.11 Retirement benefit costs

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as bonuses, paid vacation leave and sick leave) is recognised in the period in which the service is rendered and is not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution and defined benefit plans

The Council for Geoscience operates both a defined contribution pension and provident fund and a defined benefit plan in respect of post-retirement medical aid contributions. For the defined benefit plan, the defined benefit obligation and the related current service cost is determined by using the projected unit credit method. The defined benefit plan is subject to an annual actuarial valuation. The qualifying plan asset of this scheme is held and administered by Momentum Group Limited.

The actuarial gains or losses are further limited to the extent that the net cumulative unrecognised actuarial gains or losses (before recognition of that actuarial gain or loss) exceed the unrecognised part of the transactional liability. Payments to defined contribution retirement benefit plans are charged to the statement of financial performance in the year to which they relate.

1.12 Provisions and contingent liabilities

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Commitments

The Council for Geoscience classifies commitments as contracted future transactions that are non-cancellable or only cancellable at significant cost, and that will normally result in the outflow of cash. This excludes steady routine transactions such as salary commitments relating to employment contracts or social security benefits.

A distinction is made between operational and capital commitments.

Disclosure is made of the aggregate amount of operational and capital expenditure contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

If a commitment is for a period longer than a year, it is stated in the note to the commitments. No disclosure of expenditure that has been approved, but that has not yet been contracted for, is made.

1.13 Financial instruments

Initial recognition

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and liabilities are recognised on the entity's statement of financial position when the Council for Geoscience becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised initially at fair value.

Derecognition of financial instruments

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The entity derecognises financial liabilities when the entity's obligations are discharged, cancelled or they expire.

Impairment of loans and receivables

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of trade receivables is reduced through the use of an allowance account (bad debt provision). When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

Fair values of trade and other payables are determined at a price charged at transaction date and impaired when indicators of impairment are present. At period end there were no differences between the book value and the fair values of trade and other payables.

Fair value of trade and other receivables

Fair values of trade and other receivables are determined at a price charged at transaction date and impaired when indicators of impairment are present. At period end there were no differences between the book value and the fair values of trade and other receivables because of the short-term maturity.

Financial assets carried at amortised cost

Loans and receivables are measured at amortised cost less any impairment losses recognised to reflect

irrecoverable amounts. Impairment is determined on a specific basis, whereby each asset is individually evaluated for impairment indicators. Write-offs of these assets are expensed in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Cash and cash equivalents are measured at fair value.

Financial liabilities carried at amortised cost

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost.

1.14 Operating leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Any contingent rents are expensed in the period they are incurred.

1.15 Impairment

The entity assesses at each balance sheet date whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. The recoverable amount of an asset is the higher of fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss recognised immediately in surplus or deficit.

At each reporting date the entity assesses impairment losses recognised in prior years for continued existence or decreases. If such indication exists, the recoverable amounts of those assets are estimated. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.16 Critical accounting estimates and judgements

Provision for bad debts

Past experience indicates a reduced prospect of collecting debtors over the age of four months. Debtor balances are regularly assessed by management and provided for in line with the policy.

Provisions

Provisions were raised and management determined an estimate based on the information available and in line with the policy.

Property and equipment

Management has made certain estimations with regard to the determination of estimated useful lives and residual values of items of property and equipment.

Leases

Management has applied its judgement to classify all lease agreements to which the entity is party as operating leases, as they do not transfer substantially all risks and ownership to the entity. Furthermore, as the operating lease in respect of premises is only for a relatively short period of time, management has made a judgement that it would not be meaningful to classify the lease into separate components for the land and for the buildings for the current lease of the Polokwane office, and the agreement will be classified in its entirety as an operating lease.

1.17 Sources of estimation uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that could have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Council for Geoscience has not applied the following standards and interpretations which have been approved but are not yet effective for accounting periods beginning on or after 1 March 2014 or later periods:

| GRAP statement | Description | Impact | Effective date |
|----------------|---|--------|-------------------|
| GRAP 18 | Segment reporting | None | No effective date |
| GRAP 20 | Related party disclosure | None | No effective date |
| GRAP 105 | Transfer of functions between entities under common control | None | No effective date |
| GRAP 106 | Transfer of functions between entities not under common control | None | No effective date |
| GRAP 107 | Mergers | None | No effective date |

3 Property and equipment

| | Land R'000 | Buildings and fixtures R'000 | Equipment R'000 | Office furniture R'000 | Aircraft and boat R'000 | Motor vehicles R'000 | Computer equipment R'000 | Total R'000 |
|---|---------------|---------------------------------------|--------------------|------------------------------|-------------------------------|----------------------------|--------------------------------|----------------|
| 2015 | | | | | | | | |
| Gross carrying amount | 18 231 | 139 080 | 111 083 | 14 585 | 23 263 | 20 082 | 22 399 | 348 723 |
| Accumulated depreciation at the beginning of the period | - | (35 712) | (80 828) | (7 447) | (9 264) | (9 347) | (15 261) | (157 859) |
| Opening net carrying amount at 31 March 2014 | 18 231 | 103 368 | 30 255 | 7 138 | 13 999 | 10 735 | 7 138 | 190 864 |
| Movements during the period: | | | | | | | | |
| Work in progress prior year | - | 2 377 | 80 | - | 8 173 | - | - | 10 630 |
| Acquisitions | - | - | 15 560 | 305 | - | 947 | 3 750 | 20 562 |
| Adjustments | - | - | 41 | (32) | (8) | 6 | (226) | (219) |
| Adjustments - Cost | - | - | 41 | (32) | (64) | 61 | (640) | (634) |
| Adjustments - Depreciation | - | - | - | - | 56 | (55) | 414 | 415 |
| Disposals | - | - | (2 325) | (142) | (35) | (625) | (392) | (3 519) |
| Disposals - Cost | - | - | (13 805) | (258) | (48) | (2 168) | (2 004) | (18 283) |
| Disposals - Depreciation | - | - | 11 480 | 116 | 13 | 1 543 | 1 612 | 14 764 |
| Depreciation | - | (4 858) | (6 956) | (703) | (586) | (1 931) | (1 860) | (16 894) |
| Closing net carrying amount at 31 March 2015 | 18 231 | 100 887 | 36 655 | 6 566 | 21 543 | 9 132 | 8 410 | 201 424 |
| Gross carrying amount | 18 231 | 141 457 | 112 959 | 14 600 | 31 324 | 18 922 | 23 505 | 360 998 |
| Accumulated depreciation | - | (40 570) | (76 304) | (8 034) | (9 781) | (9 790) | (15 095) | (159 574) |

Property and equipment (continued)

| | Land | Buildings and fixtures | Equipment | Office furniture | Aircraft and boat | Motor vehicles | Computer equipment | Total |
|---|--------|------------------------|-----------|------------------|-------------------|----------------|--------------------|-----------|
| 2014 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Gross carrying amount | 18 231 | 138 069 | 116 929 | 15 174 | 21 687 | 16 150 | 25 581 | 351 821 |
| Accumulated depreciation at the beginning of the period | - | (31 066) | (83 418) | (7 372) | (8 501) | (8 085) | (18 838) | (157 280) |
| Opening net carrying amount at 31 March 2013 | 18 231 | 107 003 | 33 511 | 7 802 | 13 186 | 8 065 | 6 743 | 194 541 |
| Movements during the period: | | | | | | | | |
| Adjustments | - | - | (367) | - | - | - | - | (367) |
| | - | - | 632 | 339 | 2 | 24 | 67 | 1 064 |
| Cost | - | - | 3 909 | 708 | 14 | 243 | 381 | 5 255 |
| Accumulated depreciation | - | - | (3 277) | (369) | (12) | (219) | (314) | (4 191) |
| Acquisitions | - | 1 011 | 7 318 | 389 | 1 562 | 4 369 | 2 561 | 17 210 |
| Disposals | - | - | (3 737) | (667) | - | (109) | (450) | (4 963) |
| Disposals - Cost | - | - | (16 706) | (1 686) | - | (680) | (6 124) | (25 196) |
| Disposals - Depreciation | - | - | 12 969 | 1 019 | - | 571 | 5 674 | 20 233 |
| Depreciation | - | (4 646) | (7 102) | (725) | (751) | (1 614) | (1 783) | (16 621) |
| Closing net carrying amount at 31 March 2014 | 18 231 | 103 368 | 30 255 | 7 138 | 13 999 | 10 735 | 7 138 | 190 864 |
| Gross carrying amount | 18 231 | 139 080 | 111 083 | 14 585 | 23 263 | 20 082 | 22 399 | 348 723 |
| Accumulated depreciation | - | (35 712) | (80 828) | (7 447) | (9 264) | (9 347) | (15 261) | (157 859) |

The transfer of the following land and buildings as stipulated under section 26 of the Geoscience Act (Act No. 100 of 1993) has not yet been completed.

Location

Fair value

474 Carl Street, Town Lands 351 JR, Pretoria West
280 Pretoria Street, Silverton, Pretoria

R2 800 000
R94 000 000

The value of these properties has been included in the carrying amount of land and buildings as at 31 March 2015 and was determined by an independent valuator.

Details regarding land and buildings are kept at the head office of the Council for Geoscience and will be supplied upon written request.

Property and equipment (continued)

Property and equipment fully depreciated but still in use

The categories of assets listed below have been fully depreciated to their residual value as at 31 March 2015, but are still currently in use.

| Category | Salvage amount R'000 |
|----------------------------|-------------------------|
| Audio and visual equipment | 90 |
| Aircraft | 15 |
| Office furniture | 6 |
| Office equipment | 30 |
| Vehicles | 464 |
| Computer equipment | 626 |
| Computer software | 163 |
| Technical equipment | 402 |
| Scientific equipment | 2 685 |
| | 4 481 |

4 Intangible assets

| | 2015 R'000 | 2014 R'000 |
|---|---------------|---------------|
| Computer software | | |
| Gross carrying amount | 10 950 | 14 083 |
| Accumulated amortisation | (6 587) | (11 449) |
| Opening net carrying amount at 31 March 2014 | 4 363 | 2 634 |
| Movements during the period: | | |
| Adjustments | (237) | - |
| Cost | 179 | - |
| Accumulated depreciation | (416) | - |
| Acquisitions | 549 | 2 898 |
| Disposals | (327) | (303) |
| Disposals - cost | (2 800) | (6 031) |
| Disposals - amortisation | 2 473 | 5 728 |
| Amortisation | (769) | (866) |
| Closing net carrying amount at 31 March 2015 | 3 579 | 4 363 |
| Gross carrying amount | 8 878 | 10 950 |
| Accumulated amortisation | (5 299) | (6 587) |

5 Inventories

| | | |
|-------------------------|---|---|
| Publication inventories | 5 | 5 |
|-------------------------|---|---|

6 Retirement benefit

| 2015 | 2014 |
|-------|-------|
| R'000 | R'000 |

6.1 Post-retirement medical aid fund

The Council for Geoscience has made provision for the medical aid fund covering substantially all its employees. All eligible employees are members of the defined benefit scheme. To improve management of this defined benefit scheme the Council for Geoscience established a qualifying plan asset in October 2010 which is held and administered by Momentum Group Limited and evaluated annually as at 31 March.

| The amount recognised in the statement of financial performance is determined as follows: | | |
|---|---------|---------|
| Current service costs | 207 | 360 |
| Interest charge | 1 631 | 2 144 |
| Expected return on planned assets | (1 219) | (1 100) |
| Actuarial (gain)/loss recognised | 1 335 | (8 628) |
| Recognition of loss on asset realisation | (300) | (1 800) |
| | 1 654 | (9 024) |

| | 2015 R'000 | 2014 R'000 | 2013 R'000 | 2012 R'000 |
|--|---------------|---------------|---------------|---------------|
| The amount included in the statement of financial position arising from Council for Geoscience obligation in respect of post-retirement medical aid contributions is as follows: | | | | |
| Present value of fund obligations | 21 863 | 19 504 | 26 226 | 21 155 |
| Fair value of planned assets | (14 851) | (14 147) | (11 844) | (11 090) |
| Liability recognised in statement of financial position | 7 012 | 5 357 | 14 382 | 10 065 |

| Movement in net liability during the period is as follows: | 2015 | | | 2014 | | |
|--|-----------|---------------|----------|-----------|---------------|----------|
| | Liability | Planned asset | Net | Liability | Planned asset | Net |
| Liability at beginning of period | 19 504 | - | 19 504 | 26 226 | - | 26 226 |
| Value of planned assets at beginning of period | - | (14 147) | (14 147) | - | (11 845) | (11 845) |
| | 19 504 | (14 147) | 5 357 | 26 226 | (11 845) | 14 381 |
| Interest charge/expected return of planned asset | 1 631 | (1 219) | 412 | 2 144 | (1 100) | 1 044 |
| Contributions received | - | (300) | (300) | - | (1 800) | (1 800) |
| Current service costs | 207 | - | 207 | 360 | - | 360 |
| Benefits paid | (1 402) | 1 402 | - | (1 281) | 1 281 | - |
| Loss/(gain) recognised on realisation of planned asset | - | - | - | (4 800) | - | (4 800) |
| Actuarial loss/(gain) | - | (587) | (587) | - | (683) | (683) |
| Actuarial loss/(gain) recognised on curtailment | 1 923 | - | 1 923 | (3 145) | - | (3 145) |
| Closing balance | 21 863 | (14 851) | 7 012 | 19 504 | (14 147) | 5 357 |

Retirement benefit (continued)

Contributions expected to be paid

No top up payments are expected to be made during the 2016 year

| | |
|-----------------------------------|---|
| Expected rate of return on assets | 7.79% |
| Assumptions | |
| Discount rates | 7.79% |
| Basis of discount rates | JSE zero coupon bond yield after the market closed on 31 March 2015 |
| Return on assets | 7.79% |
| Expected salary increases | 7.50% |
| Health care cost inflation rate | 7.04% |

Sensitivity analysis on accrued liability (R Million)

| Assumption | Change | In service | Continuation | Total | Change |
|--|---------|------------|--------------|--------|--------|
| Central assumptions | - | 4.360 | 17.503 | 21.863 | - |
| Health care inflation | 1% | 5.116 | 19.061 | 24.177 | 11% |
| | -1% | 3.747 | 16.130 | 19.877 | -9% |
| Discount rate | 1% | 3.747 | 16.113 | 19.860 | -9% |
| | -1% | 5.13 | 19.111 | 24.241 | 11% |
| Post-retirement mortality | -1 year | 4.505 | 18.280 | 22.785 | 4% |
| Average retirement date | -1 year | 4.501 | 17.503 | 22.004 | 1% |
| Continuation of membership at retirement | -10% | 3.936 | 17.503 | 21.439 | -2% |

The table above indicates, for example, that if medical inflation is 1% greater than the long-term assumptions made, the liability will be 11% higher than that shown

Sensitivity analysis for current service and interest cost for the year ending 31 March 2015

| Assumption | Change | Current service | Interest cost | Total | Change |
|-----------------------------|---------|-----------------|---------------|-----------|--------|
| Central assumptions | - | 207 486 | 1 630 546 | 1 838 032 | - |
| Health care inflation | 1% | 243 557 | 1 812 788 | 2 056 345 | 12% |
| | -1% | 178 016 | 1 474 021 | 1 652 037 | -10% |
| Discount rate | 1% | 179 734 | 1 644 235 | 1 823 969 | -1% |
| | -1% | 241 878 | 1 606 155 | 1 848 033 | 1% |
| Average retirement age (60) | -1 year | 174 375 | 1 657 250 | 1 831 625 | 0% |

The table above indicates, for example, that if medical inflation is 1% greater than the long-term assumptions made, the liability will be 12% higher than that shown

Retirement benefit (continued)

6.2 Pension and provident fund benefits

The Council for Geoscience and its employees contribute to a defined contribution plan. The assets of the scheme are held separately from the Council for Geoscience in funds under the control of trustees. The total cost charged to income of R8 462 352 (2014: R8 047 015) represents equal contributions of 7.5% by the employer and employee.

| 2015 | 2014 |
|-------|-------|
| R'000 | R'000 |

7 Trade and other receivables for exchange revenue

| | | |
|--------------------------------|---------|---------|
| Trade receivables | 7 750 | 5 055 |
| Trade receivables - Retention | - | 2 571 |
| Contract customers | 10 979 | 4 778 |
| Other receivables | 3 757 | 3 568 |
| Prepaid expenses | (1 217) | 386 |
| Personnel debt | 33 | 50 |
| | 21 302 | 16 408 |
| Less - Provision for bad debts | (218) | (218) |
| | 21 084 | 16 190 |
| Provision for bad debts | | |
| Opening balance | 218 | 2 058 |
| Movement | - | (1 840) |
| Closing balance | 218 | 218 |

Analysis of ageing of receivables past due but not impaired

| | | |
|--|---|-------|
| Retention on foreign project - Over 120 days | - | 2 571 |
|--|---|-------|

Analysis of impairment

| | | |
|--|-----|-----|
| Debtors liquidated | 27 | 27 |
| Long overdue debtors considered impaired | 191 | 191 |
| | 218 | 218 |

There is no difference between the fair value of trade and other receivables and their book value.

8 Cash and cash equivalents

| | 2015 R'000 | 2014 R'000 |
|---|---------------|---------------|
| Cash and cash equivalents at the end of the period are represented by the following balances: | | |
| Cash at bank | 27 864 | 14 021 |
| Call accounts | 224 073 | 211 824 |
| Cash and cash equivalents at the end of the period are represented by the following balances: | 251 937 | 225 845 |
| Certain foreign funds are considered not available for use | 12 717 | 10 333 |

There is no difference between the fair value of cash and cash equivalents and their book value.

9 Trade and other payables

| | | |
|----------------|--------|--------|
| Trade payables | 20 576 | 8 312 |
| Other payables | 3 555 | 3 534 |
| | 24 131 | 11 846 |

There is no difference between the fair value of trade payables and their book value.

10 Deferred income

Exchange revenue

| | | | |
|---------------|--|---|----------|
| 10.1 | Contamination of the groundwater in the Witwatersrand area | | |
| | Deferred income arising as a result of an agreement entered into with the Department of Mineral Resources to develop and implement various measures to mitigate the effect of mining-induced contamination of the groundwater in the Witwatersrand area. | | |
| 10.1.1 | Contamination of the groundwater in the Witwatersrand area 1 | | |
| | Carrying amount at the beginning of the period | - | 1 044 |
| | Interest earned | - | 34 |
| | Amounts used during the period | - | (1 078) |
| | Carrying amount at the end of the period | - | - |
| 10.1.2 | Contamination of the groundwater in the Witwatersrand area 3 | | |
| | Carrying amount at the beginning of the period | - | 10 024 |
| | Amounts used during the period | - | (10 111) |
| | Interest earned | - | 87 |
| | Carrying amount at the end of the period | - | - |

Deferred income (continued)

| | | 2015 | 2014 |
|---------------|---|-------|----------|
| | | R'000 | R'000 |
| 10.1.3 | Contamination of the groundwater in the Witwatersrand area 2 | | |
| | Carrying amount at the beginning of the period | - | 20 254 |
| | Amounts used during the period | - | (20 567) |
| | Interest earned | - | 313 |
| | Carrying amount at the end of the period | - | - |

| | | | |
|-------------|--|---|------|
| 10.2 | Deferred income arising as a result of an agreement entered into with the Department of Mineral Resources to develop and implement the closing of mine holes. | | |
| | Carrying amount at the beginning of the period | - | 68 |
| | Amounts used during the period | - | (70) |
| | Interest earned | - | 2 |
| | Carrying amount at the end of the period | - | - |

| | | | |
|-------------|---|---|-------|
| 10.3 | Deferred income arising as a result of an agreement with the Department of Mineral Resources in terms of the Sustainable Development Through Mining project. | | |
| | Carrying amount at the beginning of the period | - | 887 |
| | Amounts used during the period | - | (916) |
| | Interest earned | - | 29 |
| | Carrying amount at the end of the period | - | - |

| | | | |
|-------------|--|---------|-------|
| 10.4 | Deferred income arising as a result of a contract entered into with the European Commission for Earth Observation and Observing Environmental and Societal Impacts of Mineral Resources Exploration and Exploitation. | | |
| | Carrying amount at the beginning of the period | 1 371 | 1 371 |
| | Amounts received | (1 338) | - |
| | Carrying amount at the end of the period | 33 | 1 371 |

| | | | |
|-------------|--|-------|---|
| 10.5 | Deferred income arising as a result of an agreement with the Department of Science and Technology for the Environmentally Friendly and Efficient Methods for the Extraction of Rare-Earth Elements. | | |
| | Carrying amount at the beginning of the period | - | - |
| | Amounts received | 1 299 | - |
| | Carrying amount at the end of the period | 1 299 | - |

Deferred income (continued)

| | | 2015 | 2014 |
|-------------|---|-------|---------|
| | | R'000 | R'000 |
| 10.6 | Deferred income arising as a result of an agreement with the Department of Science and Technology in terms of the Earth Observation and Geohazards Assessment. | | |
| | Carrying amount at the beginning of the period | 2 922 | 3 500 |
| | Amounts received | - | 3 500 |
| | Amounts used during the period | - | (4 078) |
| | Carrying amount at the end of the period | 2 922 | 2 922 |

| | | | |
|-------------|---|---------|-------|
| 10.7 | Deferred income arising as a result of an agreement with the Department of Science and Technology to study the Witwatersrand Central Basin Mine Water Apportionment. | | |
| | Carrying amount at the beginning of the period | 1 867 | 1 386 |
| | Amounts received | - | 481 |
| | Amount used during the period | (1 832) | - |
| | Carrying amount at the end of the period | 35 | 1 867 |

| | | | |
|-------------|--|-----|-----|
| 10.8 | Deferred income arising as a result of an agreement entered into with the National Research Foundation. | | |
| | Carrying amount at the beginning of the period | 110 | 110 |
| | Carrying amount at the end of the period | 110 | 110 |

| | | | |
|-------------|--|----------|----------|
| 10.9 | Deferred income arising as a result of an agreement entered into with the Department of Mineral Resources to develop and implement various measures to mitigate the effect of mining-induced contamination. | | |
| | Carrying amount at the beginning of the period | 65 995 | 47 432 |
| | Amounts received | 136 752 | 116 521 |
| | Amounts used during the period | (94 150) | (97 958) |
| | Carrying amount at the end of the period | 108 597 | 65 995 |
| | | 112 996 | 72 265 |

| | | | |
|-----------|--|--------|--------|
| 11 | Accruals | | |
| | Accruals for leave pay | | |
| | Carrying amount at the beginning of the period | 10 038 | 8 970 |
| | Provision current period | 1 456 | 1 703 |
| | Amounts used during the current period | (638) | (635) |
| | Carrying amount at the end of the period | 10 856 | 10 038 |
| | The leave pay provision relates to the estimated liabilities as a result of leave days due to employees. | | |

Deferred income (continued)

| | | 2015 | 2014 |
|-----------|--|--------|--------|
| | | R'000 | R'000 |
| 11 | Accruals (continued) | | |
| | Accruals for 13th cheque | | |
| | Carrying amount at the beginning of the period | 4 015 | - |
| | Amounts used during the current period | (71) | 4 015 |
| | Carrying amount at the end of the period | 3 944 | 4 015 |
| | The 13 th cheque accrual relates to the structuring of the employee costs to company and is paid out in the months of the employees' birthdays. | | |
| | Total accrual | 14 800 | 14 053 |

| | | | |
|-----------|--|-----------|-----------|
| 12 | Deficit/surplus from operations | | |
| | Operating deficit/surplus is arrived at after taking the following items into account: | | |
| | Revenue | | |
| | Non-exchange revenue | | |
| | Total grant received | 292 839 | 271 232 |
| | Project related revenue | (136 752) | (116 521) |
| | | 156 087 | 154 711 |
| | Exchange revenue | | |
| | Department of Mineral Resources project related revenue | 94 150 | 97 958 |
| | Contracting revenue | 36 803 | 40 209 |
| | Publication revenue | 226 | 244 |
| | | 131 179 | 138 411 |
| | | 287 266 | 293 122 |

| | | | |
|--|--------------------------|--------|--------|
| | Cost of contracts | | |
| | Direct cost | 12 411 | 13 469 |
| | Personnel expenditure | 8 464 | 11 734 |
| | | 20 875 | 25 203 |

| | | | |
|--|-----------------------------------|---------|---------|
| | Cost of statutory projects | | |
| | Direct cost | 61 661 | 64 549 |
| | Personnel expenditure | 52 715 | 50 210 |
| | | 114 376 | 114 759 |

Deficit/surplus from operations (continued)

| | 2015 R'000 | 2014 R'000 |
|---|---------------|---------------|
| Other operating income | | |
| Foreign currency gains | 383 | 2 606 |
| Profit on disposal of fixed assets | - | 10 |
| Recovery of asset losses | 204 | 226 |
| Recovery of bad debts | - | 103 |
| Provision for bad debts | - | 1 839 |
| Sundry income | 8 814 | 4 511 |
| | 9 401 | 9 295 |
| Administrative expenses include | | |
| Audit fees | 2 967 | 2 970 |
| - Current period | 1 076 | 734 |
| - Prior period | 969 | 1 226 |
| - Internal audit | 605 | 547 |
| - Fee for other services | 317 | 463 |
| Bad debts written off | 112 | 1 602 |
| Provision for bad debts | - | - |
| Depreciation - on owned assets | 16 894 | 16 621 |
| - Buildings | 4 858 | 4 646 |
| - Equipment | 6 956 | 7 102 |
| - Office furniture | 703 | 725 |
| - Motor vehicles | 1 931 | 1 614 |
| - Aircraft | 586 | 751 |
| - Computer equipment | 1 860 | 1 783 |
| Amortisation - intangible assets | | |
| - Computer software | 769 | 866 |
| Rentals in respect of operating leases | | |
| - Land and buildings | 834 | 447 |
| - Photocopying machines | 22 | 1 767 |
| Other operating expenses | | |
| Net loss on disposal of equipment | 4 300 | 5 265 |
| Foreign currency losses | 931 | 83 |
| | 5 231 | 5 348 |
| Staff costs | 176 844 | 160 392 |
| Included in staff costs are: | | |
| Defined benefit plan expense for the post-retirement medical aid fund | 1 955 | (9 024) |
| - Current service cost | 207 | 360 |
| - Interest cost | 1 631 | 2 144 |
| - Expected return on plan assets | (1 219) | (1 100) |

Deficit/surplus from operations (continued)

| | 2015 R'000 | 2014 R'000 |
|--|---------------|---------------|
| Other operating income (continued) | | |
| - Recognised actuarial loss | 1 336 | (10 428) |
| Defined contribution plan expenses for the pension and provident funds | 8 462 | 8 047 |

Emoluments

| Senior management | 2014/2015 | | | |
|-------------------|-------------------------|--|-----------------------------|------------------|
| | Pensionable salary R | Provident/ Pension fund contributions R | Other contributions R | Total R |
| Mr Kota M W (CEO) | 2 235 216 | 144 913 | 302 047 | 2 682 176 |
| Mr Matsepe L D | 1 462 331 | 88 926 | 81 811 | 1 633 068 |
| Mr Ramagwede L F | 1 478 097 | 96 398 | 83 393 | 1 657 888 |
| Dr Graham G | 1 484 238 | 90 258 | 83 856 | 1 658 352 |

| | 2013/2014 | | | |
|-------------------|-------------------------|--------------------------------------|-----------------------------|------------------|
| | Pensionable salary R | Provident fund contributions R | Other contributions R | Total R |
| Mr Kota M W (CEO) | 2 092 076 | 136 325 | 297 623 | 2 526 024 |
| Mr Matsepe L D | 1 375 664 | 83 655 | 80 947 | 1 540 266 |
| Mr Ramagwede L F | 1 390 496 | 90 684 | 81 216 | 1 562 396 |
| Dr Graham G | 1 396 273 | 84 909 | 79 710 | 1 560 892 |

Board emoluments

Non-executive Board Members

| | 2015 R | 2014 R |
|--------------------|----------------|----------------|
| Prof. Ngoepe P E | 277 654 | 198 188 |
| Ms Mthimunye K R | 152 624 | 129 538 |
| Dr Mathe H | 175 880 | 85 766 |
| Mr Sibiyi D | 34 680 | 24 049 |
| Prof. Hermanus M A | 71 232 | 61 104 |
| Dr McGill E | 115 056 | 100 766 |
| | 827 126 | 599 411 |

Details regarding Board Members' service contracts:
Board Members representing government departments are not included above as they received no emoluments.
The current term of office of the non-executive Board Members expires on 30 September 2015.

| | | 2015 R'000 | 2014 R'000 |
|-----------|---------------------------------------|---------------|---------------|
| 13 | Interest received | | |
| | - Interest income on call accounts | 11 469 | 13 419 |
| | - Interest income on current accounts | 1 899 | 763 |
| | | 13 368 | 14 182 |

| | | | |
|-----------|---------------------|----|-----|
| 14 | Finance cost | | |
| | Interest | 20 | 496 |

| | | | |
|-----------|---|---------------|---------------|
| 15 | Reconciliation of net surplus for the period to cash generated from operations | | |
| | Net surplus for the period | (14 655) | 3 774 |
| | Adjustments for - | | |
| | Prior period error | - | - |
| | Interest | 20 | 496 |
| | Depreciation on property and equipment | 16 894 | 16 621 |
| | Amortisation - intangible assets | 769 | 866 |
| | (Net proceeds) on disposal of fixed assets | - | (10) |
| | Net loss on disposal of fixed assets | 4 300 | 5 265 |
| | Interest earned | (13 368) | (14 182) |
| | Provision for post-retirement medical aid benefits | 1 655 | (9 024) |
| | Operating cash flows before working capital changes | (4 385) | 3 806 |
| | Working capital changes - | | |
| | Increase in provision for accumulated leave pay and 13 th cheque | 747 | 1 068 |
| | Decrease/(increase) in trade and other receivables | (4 893) | 31 625 |
| | Increase in trade and other payables | 12 284 | 1 784 |
| | (Decrease)/increase in deferred income | 40 732 | (13 811) |
| | Cash generated from operations | 44 485 | 24 472 |

| | | | |
|-------------|--|---------------|---------------|
| 16 | Acquisitions | | |
| 16.1 | Property and equipment | | |
| | Land and buildings | 2 377 | 1 011 |
| | Equipment | 15 640 | 6 951 |
| | Office furniture | 305 | 389 |
| | Aircraft and boat (including WIP aircraft) | 8 173 | 1 562 |
| | Motor vehicles | 947 | 4 369 |
| | Computer equipment | 3 750 | 2 561 |
| | | 31 192 | 16 843 |

Acquisitions (continued)

| | | 2015 R'000 | 2014 R'000 |
|-------------|--------------------------|---------------|---------------|
| 16.2 | Intangible assets | | |
| | Computer software | 549 | 2 898 |
| | | 549 | 2 898 |

| | | | |
|-------------|--|-----|---|
| 17 | Contingent liability | | |
| 17.1 | Bank guarantees | | |
| | Performance bonds and bid bonds issued for contract work to various financial institutions for an amount of \$33 950 | 407 | - |
| | | 407 | - |

| | | | |
|-------------|--|-----|-----|
| 17.2 | Pending legal action | | |
| | The Council for Geoscience has an estimated legal liability due to a pending labour case | 900 | - |
| | The Council for Geoscience has an estimated legal liability due to a pending labour case | 15 | 100 |
| | | 915 | 100 |

| | | | |
|-----------|--|--|--|
| 18 | Taxation | | |
| | No provision for income tax was made as the Council for Geoscience is exempted in terms of section 10(1)(Ca)(i) of the Income Tax Act. | | |

| | | | |
|-------------|--|-----|-----|
| 19 | Operating lease commitments | | |
| 19.1 | Lease of office space | | |
| | At reporting date, the outstanding commitments under non-cancellable operating leases which fall due are as follows: | | |
| | Up to 1 year | 447 | 447 |
| | Total lease commitments | 447 | 447 |

| | | | |
|-------------|--|-------|-------|
| 19.2 | Lease of office printing equipment | | |
| | The operating lease between a supplier and the Council for Geoscience entered on 1 July 2012 to 30 June 2015. | | |
| | At the reporting date, the outstanding commitments under non-cancellable operating leases which fall due are as follows: | | |
| | Up to 1 year | 3 025 | 1 117 |
| | 2 to 5 years | - | - |
| | Total lease commitments | 3 025 | 1 117 |

Operating lease commitments (continued)

| | | 2015 R'000 | 2014 R'000 |
|-------------|---|----------------|---------------|
| 19.3 | Commitments | | |
| | Operating expenditure | | |
| | Approved and contracted | 64 016 | 54 250 |
| | Capital expenditure | | |
| | Approved and contracted: Property and equipment | 44 283 | 3 192 |
| | Total commitments | 108 299 | 57 442 |
| | Commitments | | |
| | Up to 1 year | 100 856 | 46 853 |
| | 2 to 5 years | 7 443 | 10 589 |
| | Total commitments | 108 299 | 57 442 |
| | The Council for Geoscience has usage based contracts for the provision of the following services: | | |
| | - Sampling services - Geophysics | | |
| | - Accommodation and travel | | |
| | - Courier services | | |

| | |
|-----------|--|
| 20 | Financial instruments |
| | Financial instruments consist of cash and cash equivalents, investments with financial institutions, trade and other receivables and trade and other payables. |

| | |
|-------------|--|
| 20.1 | Credit risk |
| | <p>Financial assets, which potentially subject the Council for Geoscience to concentrations of credit risk, consist principally of cash, short-term deposits and trade receivables. The Council for Geoscience's cash equivalents and short-term deposits are placed with high credit quality financial institutions. Trade receivables are presented net of the allowance for doubtful debts. Credit risk with respect to trade receivables is limited due to the large number of customers being dispersed across different industries and geographical areas. Accordingly, the Council for Geoscience has no significant concentration of credit risk.</p> <p>The carrying amounts of financial assets included in the statement of financial position represent the Council for Geoscience's exposure to credit risk in relation to those assets.</p> <p>Trade and other receivables are controlled by well-established policies and procedures which are reviewed and updated on an ongoing basis. The Council for Geoscience does not have any significant exposure to any individual customer or counterparty.</p> <p>The maximum exposure to credit risk amounts to R23 447 (2014: R16 365).</p> |

| | |
|-------------|--|
| 20.2 | Interest rate risk |
| | The organisation's exposure to interest rate risk and the effective interest rates on the financial instruments at reporting date are: |
| | 31 March 2015 |

Financial instruments (continued)

| | | 2015 R'000 | 2014 R'000 |
|-------------|---|---|---|
| 20.2 | Interest rate risk (continued) | | |
| | | Weighted average effective interest rate % | Weighted average effective interest rate % |
| | Assets | | |
| | Cash | 3.95% | 3.28% |
| | Call accounts | 6.40% | 5.21% |
| | Investments | | |
| | The risk is perceived to be low due to the following factors: | | |
| | - Funds are only invested with approved financial institutions according to the policy of the Council for Geoscience. | | |
| | - Investments are only reinvested or invested with management approval. | | |

| | |
|-------------|--|
| 20.3 | Foreign currency risk |
| | The Council for Geoscience undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. It is not policy for the Council for Geoscience to take out cover on these outstanding foreign currency transactions due to the fact that these transactions take place on an ad-hoc basis. The Council for Geoscience exposure at 31 March 2015 is disclosed in note 21. |

| | |
|-------------|--|
| 20.4 | Airborne operations risk |
| | It is the policy of the Council for Geoscience to transfer risk in respect of airborne operations to third parties, namely insurance and an external operator. |

| 21 | Foreign currency exposure | 2015 R'000 | | | 2014 R'000 | | |
|-------------|----------------------------------|---------------|----------------|---------|---------------|----------------|---------|
| | | Exchange rate | Foreign amount | R value | Exchange rate | Foreign amount | R value |
| 21.1 | Trade receivables | | | | | | |
| | Foreign currency | | | | | | |
| | British Pound | R17.69040 | £43 | 761 | R14.31590 | £257 | 3 679 |
| | US\$ | R11.97730 | \$77 | 922 | R10.37850 | \$26 | 270 |

| | | | | | | | |
|-------------|-----------------|-----------|-------|-------|-----------|-------|--------|
| 21.2 | Banks | | | | | | |
| | Foreign funds | | | | | | |
| | Moroccan Dirham | R1.21271 | 7 934 | 9 622 | R1.28766 | 8 025 | 10 334 |
| | Euro | R12.83340 | €240 | 3 080 | R14.31590 | €30 | 429 |

| | | 2015 R'000 | 2014 R'000 |
|-----------|--|---------------------------------|---------------|
| 22 | Related party transactions | | |
| | During the period, the following related party transactions took place between the Council for Geoscience and the Department of Mineral Resources: | | |
| | Total grant received | 292 839 | 271 232 |
| | Refer to note 10 for further details regarding transactions with the Department of Mineral Resources. | | |
| | All other related party transactions were concluded at arm's length. | | |
| | Relationships: | | |
| | Parent National Department: | Department of Mineral Resources | |
| | Other government departments and entities: | Mine Health and Safety Council | |

| 23 | Irregular expenditure | | |
|-----------|---|-------|-------|
| | Opening balance | 5 301 | - |
| | Irregular expenses current year | 1 428 | 5 301 |
| | | 6 729 | 5 301 |
| | Analysis of expenditure not condoned per age classification | | |
| | Current year - payments not in line with supply chain management requirements | 1 314 | - |
| | Prior year | - | - |
| | | 1 314 | - |
| | Analysis of expenditure condoned per age classification | | |
| | Current year | 114 | 409 |
| | Prior year | - | 2 567 |
| | | 114 | 2 976 |
| | Details of irregular expenditure recoverable condoned | | |
| | Supplier awarded BBBEE points erroneously | - | 2 325 |

| 24 | Correction of prior year errors | | |
|-------------|---|--|--|
| 24.1 | Correction of prior year cost and accumulated depreciation | | |
| | Nature | | |
| | Capitalisation of small assets to comply with GRAP 17 | | |
| | Effect | | |
| | Statement of financial position | | |
| | Property and equipment | | |

Correction of prior year errors (continued)

| | | 2015 R'000 | 2014 R'000 |
|-------------|---|---------------|---------------|
| 24.1 | Correction of prior year cost and accumulated depreciation (continued) | | |
| | Cost | 5 254 | 19 379 |
| | Accumulated depreciation | (4 190) | (13 614) |
| | | 1 064 | 5 765 |
| | Statement of financial performance for the period ended 31 March 2014 | | |
| | Administration expenses | | |
| | Depreciation | - | 680 |
| | | - | 680 |

| | | | |
|-------------|---|---------|-------|
| 24.2 | Correction of prior year unrecorded revenue and accruals | | |
| | Nature | | |
| | Revenue recorded in the incorrect period | 2 324 | - |
| | 13 th cheque not accrued for in prior year | 4 016 | - |
| | Expenditure captured in the incorrect period | 353 | - |
| | Re-instatement of equipment | 1 064 | - |
| | Effect | | |
| | Statement of financial position as at 31 March 2014 | | |
| | Government grant project related revenue recognise | (2 324) | - |
| | 13 th cheque not accrued for in prior year | 4 016 | - |
| | Expenditure captured in the incorrect period | 353 | - |
| | Re-instatement of equipment | (1 064) | - |
| | Statement of financial performance for the period ended 31 March 2014 | | |
| | Revenue | - | (849) |
| | Statement of net assets for the period ended 31 March 2015 | | |
| | Accumulated surpluses | 981 | - |

| | | | |
|-------------|--|---|-------|
| 24.3 | Correction of prior year commitments disclosure | | |
| | Nature | | |
| | Correction of prior year commitments disclosure | - | 7 365 |

| | | 2015 R'000 | 2014 R'000 |
|-----------|---|---|---------------|
| 25 | Heritage assets disclosure | | |
| | GRAP 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. | | |
| | Certain heritage assets are described as inalienable items, thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise. | | |
| | Nature | | |
| | The Council for Geoscience has the following different classes of heritage; | | |
| | - Fossil collections | - | - |
| | - Gemstone collections | 1 445 | - |
| | - Meteorite collections | 2 804 | - |
| | - Mineral collections | 13 318 | - |
| | | 17 567 | - |
| | The heritage assets were at initial recognition valued at fair value using the following evaluators: | | |
| | Fossils | Professor for Palaeontological Research, University of the Witwatersrand | |
| | Mineral collections | MSc Geology, Professor and Chairman of the Department of Geology, University of the Witwatersrand | |
| | Meteorite collections | Author of "Meteorites", Private collector of meteorites | |
| | Gemstones | MSc Geology | |
| | Various valuation methods were used taking into account the different types of heritage assets held by the Council for Geoscience. | | |
| | The valuations reports are held at the Council for Geoscience offices and are available for inspection. | | |
| | The Palaeontological (fossils) assets have no monetary value as legislation does not permit the purchase or sale of fossils (National Heritage Resources Act 1999 par 35(4)(c)). | | |
| | The Council for Geoscience is in possession of old scientific equipment only for display purposes. This equipment does not carry any value. | | |