

**THE SOCIETY FOR INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY
OF SOUTH AFRICA**

**Annual financial statements
for the year ended 31 December 2006**

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Professional society for non-profit
Postal address	PO Box 278 Parklands 2121
Auditors	Audiance Auditors & Accountants Inc Chartered Accountants (S.A.) Registered Auditors

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

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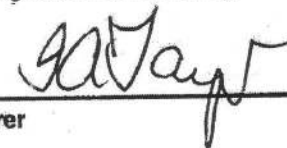
The following supplementary information does not form part of the annual financial statements and is unaudited:

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The annual financial statements set out on pages 4 to 10, which have been prepared on the going concern basis, were approved by the Executive Committee on 06 June 2007 and were signed on its behalf by:



Chairperson



Treasurer

Roodepoort
06 June 2007



Report of the Independent Auditors

To the Members of The Society for Industrial and Organisational Psychology of South Africa

We have audited the annual financial statements of The Society for Industrial and Organisational Psychology of South Africa set out on pages 4 to 9 for the year ended 31 December 2006. These annual financial statements are the responsibility of the society. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the society at 31 December 2006 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, appropriate to the business.

Supplementary information

We draw your attention to the fact that with the supplementary information set out on page 10 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

A handwritten signature in cursive script that reads "Audiance".

Audiance Auditors & Accountants Inc
Chartered Accountants (S.A.)
Registered Auditors

Roodepoort
06 June 2007

THE SOCIETY FOR INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY OF SOUTH AFRICA
Annual Financial Statements for the year ended 31 December 2006

Balance Sheet

Figures in Rand	Note(s)	2006	2005
Assets			
Current Assets			
Trade and other receivables		54,108	44,268
Cash and cash equivalents		1,075,971	1,035,643
		1,130,079	1,079,911
Total Assets		1,130,079	1,079,911
Equity and Liabilities			
Share capital		313,018	318,181
Distributable reserve		724,829	753,751
		1,037,847	1,071,932
Liabilities			
Current Liabilities			
Trade and other payables		92,232	7,979
Total Equity and Liabilities		1,130,079	1,079,911

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Income Statement

Figures in Rand	Note(s)	2006	2005
Revenue		499,945	478,916
Cost of sales		(341,128)	(323,016)
Gross profit		158,817	155,900
Other income		126,674	45,076
Operating expenses		(354,216)	(242,225)
Operating loss		(68,725)	(41,249)
Investment revenue	2	39,809	28,983
Finance costs		(6)	-
Loss for the period		(28,922)	(12,266)

Statement of Changes in Equity

Figures in Rand	Non distributable reserve	Distributable reserve	Total equity
Balance at 01 January 2005	-	766,017	766,017
Changes in equity			
Loss for the year		(12,266)	(12,266)
P.A.I. Capital	318,181		318,181
Total changes	318,181	(12,266)	305,915
Balance at 01 January 2006	318,181	753,751	1,071,932
Changes in equity			
Loss for the year		(28,922)	(28,922)
Expenses paid on behalf of P.A.I.	(5,163)		(5,163)
Total changes	(5,163)	(28,922)	(34,085)
Balance at 31 December 2006	313,018	724,829	1,037,847

Note(s)

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Cash Flow Statement

Figures in Rand	Note(s)	2006	2005
Cash flows from operating activities			
Cash generated from operations	4	5,688	34,933
Interest income		39,809	28,983
Finance costs		(6)	-
Net cash from operating activities		45,491	63,916
Cash flows from financing activities			
PAI Capital		(5,163)	318,181
Net cash from financing activities		(5,163)	318,181
Total cash movement for the period		40,328	382,097
Cash at the beginning of the period		1,035,643	653,546
Total cash at end of the period		1,075,971	1,035,643

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Initial recognition

The society 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 financial liabilities are recognised on the society's balance sheet when the society becomes party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.2 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

Notes to the Annual Financial Statements

Figures in Rand	2006	2005
2. Investment revenue		
Interest revenue		
Interest received	39,809	28,983
3. Taxation		
No provision has been made for 2006 tax as the society has no taxable income due to the exemption granted in terms of the Income Tax Act.		
4. Cash generated from operations		
Loss before taxation	(28,922)	(12,266)
Adjustments for:		
Interest received	(39,809)	(28,983)
Finance costs	6	-
Changes in working capital:		
Trade and other receivables	(9,840)	74,703
Trade and other payables	84,253	1,479
	5,688	34,933

Detailed Income statement

Figures in Rand	Note(s)	2006	2005
Revenue			
Conference and Membership fees		499,945	478,916
Cost of sales			
Conference cost - venue and overheads		(321,990)	(323,016)
Region costs		(19,138)	-
		(341,128)	(323,016)
Gross profit		158,817	155,900
Other income			
Membership fees		126,674	45,076
Interest received	2	39,809	28,983
		166,483	74,059
Operating expenses			
Accounting fees		(31,279)	(21,332)
Advertising		(9,959)	(4,771)
Auditors remuneration		(8,500)	(7,205)
Bad debts		(9,826)	(2,860)
Bank charges		(2,648)	(3,902)
Computer expenses		(1,027)	(87)
Entertainment		(259)	(3,678)
SA Journal of Industrial Psychology		(90,132)	(42,342)
Legal expenses		(4,492)	(22,990)
Printing and stationery		(1,148)	(9,541)
Secretarial fees		(122,672)	(61,798)
Subscriptions		(2,739)	(8,017)
Travel		(69,535)	(53,702)
		(354,216)	(242,225)
Operating loss		(28,916)	(12,266)
Finance costs		(6)	-
Loss for the period		(28,922)	(12,266)