

The Society for Industrial and Organisational Psychology of South Africa
Annual financial statements
for the year ended 31 December 2007

Certified Master Auditors (Gauteng) Inc.
Chartered Accountants (S.A.)
Issued 14 May 2008

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 December 2007

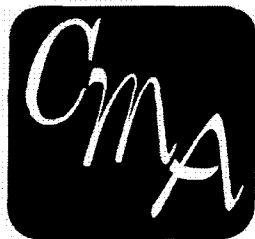
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	A professional society for non-profit
Postal address	PO Box 781615 Sandton 2146
Bankers	Standard Bank
Auditors	Certified Master Auditors (Gauteng) Inc. Chartered Accountants (S.A.)
President	Mr. Fred Guest
Treasurer	Dr. Inette A. Taylor

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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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Certified Master Auditors
Gauteng Inc.
 Registered Accountants and Auditors
In Pursuit of Excellence

Report of the Independent Auditors

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

We have audited the accompanying annual financial statements of The Society for Industrial and Organisational Psychology of South Africa, which comprise the members' report, the balance sheet as at 31 December 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 10.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the society as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

Accounting and Secretarial Duties

Without qualifying our opinion, we draw your attention to the fact that with the written consent of all members, we have performed certain accounting and secretarial duties.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 11 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.

Certified Master Auditors (Gauteng) Inc.

Halfway House
14 May 2008

Directors:
 Prof Marius J Maritz B Com (UP) B Compt (Hons) (Unisa) MA (Finance) (Alabama USA) MBL (Cum Laude) (Unisa) CFM (Harvard USA) CA (SA)
 Raymond S Baard B Com (RAU) B Compt (Hons) (Unisa) CA (SA)
 Carel HM Pieterse B Com (UP) B Compt (Hons) (Unisa) CA (SA)
 George Davias CA (SA)
 Melinda Sittig B Com (RAU) B Compt (Hons) (Unisa) CA (SA)
 Floris J du Toit B Com (RAU) B Com (Hons)(RAU) DFP CA(SA)
 Stephanus I Mirnaar B Com (RAU) B Com (Hons)(RAU) CA(SA)

Company Reg. No. 1997/0130001/21

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The South African Institute of Chartered Accountants



IRBA Practice No. 912476

Members' Report

The members submit their report for the year ended 31 December 2007.

1. Review of activities

Main business and operations

The organisation is engaged in a professional society for non-profit and operates principally in South Africa.

The operating results and state of affairs of the society are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net profit of the society was R 677,379 (2006: loss R 28,920).

2. Post balance sheet events

The members are not aware of any matter or circumstance arising since the end of the financial year.

3. Auditors

Certified Master Auditors (Gauteng) Inc. will continue in office for the next financial period.

The annual financial statements set out on pages 4 to 11, which have been prepared on the going concern basis, were approved by the members on 14 May 2008 and were signed on its behalf by:



President



Treasurer

Pretoria

14 May 2008

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 December 2007

Balance Sheet

Figures in Rand	Note(s)	2007	2006
Assets			
Current Assets			
Trade and other receivables	2	228,354	54,108
Cash and cash equivalents		1,450,017	1,075,971
		1,678,371	1,130,079
Total Assets		1,678,371	1,130,079
Equity and Liabilities			
Members' interest and reserves			
P.A.I. Capital		257,368	313,018
Retained income		1,402,210	724,831
		1,659,578	1,037,849
Liabilities			
Current Liabilities			
Trade and other payables	3	18,793	92,230
Total Equity and Liabilities		1,678,371	1,130,079

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 December 2007

Income Statement

Figures in Rand	Note(s)	2007	2006
Revenue		1,125,512	499,945
Cost of sales		(461,663)	(341,128)
Gross profit		663,849	158,817
Other income		167,400	126,674
Operating expenses		(247,944)	(354,214)
Operating profit (loss)		583,305	(68,723)
Investment revenue		94,116	39,809
Finance costs		(42)	(6)
Profit (loss) for the year		677,379	(28,920)

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 December 2007

Statement of Changes in Equity

Figures in Rand	Non distributable reserve	Distributable reserve	Total equity
Balance at 01 January 2006	318,181	753,751	1,071,932
Changes in equity			
Loss for the year	-	(28,920)	(28,920)
Expenses paid on behalf of P.A.I.	(5,163)	-	(5,163)
Total changes	(5,163)	(28,920)	(34,083)
Balance at 01 January 2007	313,018	724,831	1,037,849
Changes in equity			
Profit for the year	-	677,379	677,379
Expenses paid on behalf of P.A.I.	(55,650)	-	(55,650)
Total changes	(55,650)	677,379	621,729
Balance at 31 December 2007	257,368	1,402,210	1,659,578

Note(s)

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 December 2007

Cash Flow Statement

Figures in Rand	Note(s)	2007	2006
Cash flows from operating activities			
Cash generated from operations	4	335,622	5,689
Interest income		94,116	39,809
Finance costs		(42)	(6)
Net cash from operating activities		429,696	45,492
Cash flows from financing activities			
Contributions repaid		(55,650)	-
Net cash from financing activities		(55,650)	(5,163)
Total cash movement for the year		374,046	40,329
Cash at the beginning of the year		1,075,971	1,035,643
Total cash at end of the year		1,450,017	1,075,972

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements are prepared in conformity with South African Statements of Generally Accepted Accounting Practice, appropriate to the business of the corporation. The annual financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate, 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.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value.

Trade and other payables

Trade payables are initially measured at fair value.

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 Revenue

Revenue comprises of conference and membership fees. Revenue is stated at the invoice amount and is exclusive of value added taxation.

Notes to the Annual Financial Statements

Figures in Rand	2007	2006
2. Trade and other receivables		
Trade receivables	202,825	4,232
VAT	-	49,876
Other receivables	25,529	-
	228,354	54,108
3. Trade and other payables		
Trade payables	15,095	92,230
VAT	3,698	-
	18,793	92,230
4. Cash generated from operations		
Profit (loss) before taxation	677,379	(28,920)
Adjustments for:		
Interest received	(94,116)	(39,809)
Finance costs	42	6
Changes in working capital:		
Trade and other receivables	(174,246)	(9,840)
Trade and other payables	(73,437)	84,252
	335,622	5,689

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 December 2007

Detailed Income statement

Figures in Rand	Note(s)	2007	2006
Revenue			
Conference and events		1,125,512	499,945
Cost of sales			
Conference cost - venue and overheads		(409,770)	(321,990)
Region costs		(51,893)	(19,138)
		(461,663)	(341,128)
Gross profit		663,849	158,817
Other income			
Membership fees		167,400	126,674
Interest received		94,116	39,809
		261,516	166,483
Operating expenses			
Accounting fees		20,620	31,279
Advertising, marketing and promotions		2,500	10,217
Auditors remuneration		9,495	8,500
Bad debts		11,396	9,826
Bank charges		2,257	2,648
Computer expenses		1,579	1,027
Consulting and professional fees		11,354	4,492
Printing and stationery		6,234	1,148
SA Journal of Industrial Psychology		16,228	90,132
Secretarial fees		121,511	122,672
Subscriptions		2,506	2,739
Travel - local		20,613	20,727
Travel - overseas		21,651	48,807
		247,944	354,214
Operating profit (loss)		677,421	(28,914)
Finance costs		(42)	(6)
Profit (loss) for the year		677,379	(28,920)