

The Society for Industrial and Organisational Psychology of South Africa
Annual Financial Statements
for the year ended 31 July 2016

These annual financial statements were prepared by:
Rentia de Bruyn
Financial Controller

These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008 and the entity's constitution.

Issued 22 March 2017

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

General Information

Country of incorporation and domicile	South Africa
Postal address	P.O. Box 781615 Sandton Gauteng 2146
Bankers	Standard Bank
Reviewers	Centacc (Pty) Ltd Professional Accountants (SA)

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

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

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Level of assurance

These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008 and the entity's constitution.

Preparer

Rentia de Bruyn
Financial Controller

Published

22 March 2017

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Board Members' Responsibilities and Approval

The board members are required by the Companies Act 71 of 2008 and the entity's constitution, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board members sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board members have reviewed the entity's cash flow forecast for the year to 31 July 2017 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's independent reviewer and their report is presented on page 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board on 22 March 2017 and were signed on its behalf by:

Approval of financial statements



L van Zyl



A Lombard



PROFESSIONAL ACCOUNTANT (SA)
INDEPENDENT REVIEWER (SA)
GENERAL TAX PRACTITIONER (SA)

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Independent Reviewer's Report

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

We have reviewed the annual financial statements of The Society for Industrial and Organisational Psychology of South Africa, set out on pages 7 to 15, which comprise the statement of financial position as at 31 July 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's board members are responsible for the preparation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 and the entity's constitution, and for such internal control as the board members determine necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer Responsibility

Our responsibility is to express a conclusion on these annual financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review annual financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects the financial position of The Society for Industrial and Organisational Psychology of South Africa as at 31 July 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 and the entity's constitution.

Independent Reviewer's Report

Other Matter

During the current reporting period it was determined that Trade and other Receivables were overstated in the prior year due to an oversight of supporting documentation provided to the previous Professional Accounting Firm. The error was only noted by the entity when performing a review of and correction of opening balances for the year ending February July 2016, subsequent to the 31 July 2015 Annual Financial Statements being signed and issued on 30 May 2016.

During the prior year period the Pay-As-You-Earn Accrual for the pay period ending July 2015, payable on 07 August 2015 was not accrued for in the Prior Year Annual Financial Statements issued on 30 May 2016.

During the prior year period the Bonus Accrual for the pay period ending July 2015, payable by August 2015 was not accrued for in the Prior Year Annual Financial Statements issued on 30 May 2016.



Centacc (Pty) Ltd
DJ Swart
Director
Professional Accountants (SA)

22 March 2017
Pretoria

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Board Members' Report

The directors have pleasure in submitting their report on the annual financial statements of The Society for Industrial and Organisational Psychology of South Africa and its associates for the year ended 31 July 2016.

1. Nature of business

The Society for Industrial and Organisational Psychology of South Africa was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 and the entity's constitution. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Events after the reporting period

The board members are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The board members believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board members have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The board members are not aware of any new material changes that may adversely impact the company. The board members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

5. Review

The financial statements are subject to an independent review and have been reviewed by Centacc (Pty) Ltd

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Statement of Financial Position as at 31 July 2016

	Notes	2016 R	2015 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	11 318	22 635
Intangible assets	3	1	1
		<u>11 319</u>	<u>22 636</u>
Current Assets			
Trade and other receivables	5	472 810	288 005
Other financial assets	4	795 480	1 816 022
Cash and cash equivalents	6	831 010	727 024
		<u>2 099 300</u>	<u>2 831 051</u>
Total Assets		<u>2 110 619</u>	<u>2 853 687</u>
Equity and Liabilities			
Equity			
Share capital		-	247 368
Retained income		1 635 137	2 126 191
		<u>1 635 137</u>	<u>2 373 559</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	475 482	480 128
Total Equity and Liabilities		<u>2 110 619</u>	<u>2 853 687</u>

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Statement of Comprehensive Income

	Notes	2016 R	2015 R
Revenue	8	3 074 713	2 707 237
Cost of sales	9	(1 145 674)	(1 267 711)
Gross profit		1 929 039	1 439 526
Operating expenses		(2 499 628)	(1 669 557)
Operating loss		(570 589)	(230 031)
Investment revenue		79 535	114 722
Loss for the year		(491 054)	(115 309)
Other comprehensive income		-	-
Total comprehensive loss for the year		(491 054)	(115 309)

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Statement of Changes in Equity

	Share capital	Retained income	Total equity
	R	R	R
Balance at 01 July 2014	247 368	2 241 500	2 488 868
Loss for the year	-	(115 309)	(115 309)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(115 309)	(115 309)
Balance at 01 July 2015	247 368	2 126 191	2 373 559
Loss for the year	-	(491 054)	(491 054)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(491 054)	(491 054)
Purchase of own shares	(247 368)	-	(247 368)
Total changes	(247 368)	-	(247 368)
Balance at 31 July 2016	-	1 635 137	1 635 137

Notes

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Statement of Cash Flows

	Notes	2016 R	2015 R
Cash flows from operating activities			
Cash used in operations	10	(748 723)	(345 212)
Interest income		68 932	103 197
Dividends received		10 603	11 525
Net cash from operating activities		(669 188)	(230 490)
Cash flows from investing activities			
Sale of financial assets		1 020 542	394 407
Net cash from investing activities		1 020 542	394 407
Cash flows from financing activities			
Reduction of share capital or buy back of shares		(247 368)	-
Total cash movement for the year		103 986	163 917
Cash at the beginning of the year		727 024	563 107
Total cash at end of the year	6	831 010	727 024

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008 and the entity's constitution. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software, other	3 years

If the company is unable to make a reliable estimate of the useful life of an intangible asset, the life is presumed to be 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.4 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

The Society for Industrial and Organisational Psychology of South Africa
Annual Financial Statements for the year ended 31 July 2016

Notes to the Annual Financial Statements

	2016 R			2015 R		
2. Property, plant and equipment						
	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	61 184	(49 866)	11 318	61 184	(38 549)	22 635
Reconciliation of property, plant and equipment - 2016						
		Opening balance	Depreciation	Total		
IT equipment		22 635	(11 317)	11 318		
Reconciliation of property, plant and equipment - 2015						
		Opening balance	Depreciation	Total		
IT equipment		33 951	(11 316)	22 635		
		33 951	(11 316)	22 635		
3. Intangible assets						
	2016			2015		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software, internally generated	1	-	1	1	-	1
Reconciliation of intangible assets - 2016						
		Opening balance	Total			
Computer software, internally generated		1	1			
Reconciliation of intangible assets - 2015						
		Opening balance	Amortisation	Total		
Computer software, internally generated		12 362	(12 361)	1		
4. Other financial assets						
At amortised cost				795 480	1 816 022	
Other financial asset 1 Terms and conditions						
Current assets				795 480	1 816 022	
At amortised cost						
5. Trade and other receivables						
Trade receivables				472 810	288 005	

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	831 010	727 024
7. Trade and other payables		
Trade payables	400 956	431 307
VAT	53 912	34 741
Accrued leave pay	13 664	-
Accrued audit fees	6 950	14 080
	475 482	480 128
8. Revenue		
Rendering of services	3 074 713	2 707 237
9. Cost of sales		
Rendering of services		
Cost of services	1 145 674	1 267 711
10. Cash used in operations		
Loss before taxation	(491 054)	(115 309)
Adjustments for:		
Depreciation and amortisation	11 317	23 678
Dividends received	(10 603)	(11 525)
Interest received	(68 932)	(103 197)
Changes in working capital:		
Trade and other receivables	(184 805)	(210 596)
Trade and other payables	(4 646)	71 737
	(748 723)	(345 212)

11. Prior period errors

During the current reporting period it was determined that Trade and other Receivables were overstated in the prior year due to an oversight of supporting documentation provided to the previous Professional Accounting Firm. The error was only noted by the entity when performing a review of and correction of opening balances for the year ending February July 2016, subsequent to the 31 July 2015 Annual Financial Statements being signed and issued on 30 May 2016.

During the prior year period the Pay-As-You-Earn Accrual for the pay period ending July 2015, payable on 07 August 2015 was not accrued for in the Prior Year Annual Financial Statements issued on 30 May 2016.

During the prior year period the Bonus Accrual for the pay period ending July 2015, payable by August 2015 was not accrued for in the Prior Year Annual Financial Statements issued on 30 May 2016.

In the latter two cases, similarly, these errors also only came to our attention when the entity performed a review of and correction of opening balances for the year ending February July 2016, subsequent to the 31 July 2015 Annual Financial Statements being signed and issued on 30 May 2016.

The correction of the error(s) results in adjustments as follows:

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Notes to the Annual Financial Statements

	2016	2015
	R	R
<hr/>		
11. Prior period errors (continued)		
Statement of Financial Position		
Trade and other receivables	25 185	(25 185)
Provision for accrued expenses (PAYE Accrual)	26 026	(26 026)
Provision for accrued expenses (Bonus Accrual)	52 500	(52 500)

12. Going concern

We draw attention to the fact that at 31 July 2016, the company had accumulated losses of R (1 635 137) and that the company's total liabilities exceed its assets by R 1 635 137.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Detailed Income Statement

	Notes	2016 R	2015 R
Revenue			
Rendering of services		3 074 713	2 707 237
Cost of sales	9	(1 145 674)	(1 267 711)
Gross profit		1 929 039	1 439 526
Other income			
Dividends received		10 603	11 525
Interest received		68 932	103 197
		79 535	114 722
Expenses (Refer to page 17)		(2 499 628)	(1 669 557)
Loss for the year		(491 054)	(115 309)

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2016

Detailed Income Statement

	Notes	2016 R	2015 R
Operating expenses			
Accounting fees		(26 892)	(64 334)
Administration and management fees		-	(161 796)
Advertising		(1 122)	-
Auditors remuneration		-	(14 080)
Bank charges		(17 428)	(16 159)
Catering		(6 382)	-
Cleaning		-	(1 223)
Commission paid		-	(18)
Computer expenses		(93 264)	(169 291)
Consulting fees		(7 281)	(10 000)
Depreciation, amortisation and impairments		(11 317)	(23 678)
Donations		(5 500)	-
Employee costs		(1 834 504)	(745 307)
Entertainment		(5 756)	(11 660)
Fines and penalties		-	(20 602)
Insurance		(5 131)	(2 741)
Lease rentals on operating lease		(247 264)	(172 206)
Legal expenses		(5 566)	-
Postage		(99)	(336)
Printing and stationery		(439)	(26 513)
Staff welfare		-	(210)
Subscriptions		(31 878)	(12 603)
Telephone and fax		(23 866)	(21 118)
Training		-	(10 300)
Travel - local		(138 151)	(185 382)
Travel - overseas		(37 788)	-
		(2 499 628)	(1 669 557)