

**The Society for Industrial and Organisational Psychology of South Africa  
Annual financial statements  
for the year ended 31 July 2014**

Certified Master Auditors Incorporated  
Chartered Accountants (S.A.)  
Registered Auditors  
Published 06 May 2015

# The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2014

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	A professional society for non-profit
<b>Postal address</b>	PO Box 781615 Sandton Gauteng 2146
<b>Bankers</b>	Standard Bank
<b>Reviewers</b>	Certified Master Auditors Incorporated Chartered Accountants (S.A.) Registered Auditors
<b>President</b>	Mr. Andre Westraat
<b>Treasurer</b>	Mr. Andre Lombard

**The Society for Industrial and Organisational Psychology of South Africa**  
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The reports and statements set out below comprise the annual financial statements presented to the :

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**Level of assurance**

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

**Preparer**

Mr. Andre Lombard

**Published**

06 May 2015

## **Board Members' Responsibilities and Approval**

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The board members are required by 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 entity specific reporting framework.

The annual financial statements are prepared in accordance with the entity specific reporting framework and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity 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 2015 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 reviewers are 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 reviewers and their report is presented on page 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board members on 06 May 2015 and were signed on its behalf by:

President

ANDRÉ WESTRAAT

Treasurer

André Loubaud



# Certified Master Auditors (South Africa) Inc.

Registered Accountants and Auditors  
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*In Pursuit of Excellence*

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Reg. 1997/013001/21

## Independent Reviewers' Report

To the 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 14, that comprise the statement of financial position as at 31 July 2014, 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 directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the entity's constitution, and for such internal control as the directors determine necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

### Independent Reviewers' Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 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 financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the annual financial statements as a whole may be materially misstated.

The procedures performed in a review engagement 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.

**Other Offices:**  
Cape Town  
Centurion  
Pretoria North  
Pretoria East  
Vereeniging  
West Rand



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### Directors:

Marius Johannes Maritz - B.Com (UP) B.Compt (Hons) (Unisa) MA (Finance) (Alabama USA) MBL (Cum Laude) (Unisa) CFM (Harvard USA) CA (SA) SAMTP (SA)  
Caral Hendrik Mostert Pletares - B.Com (UP) S.Compt (Hons) (Unisa) M.Com (Tax) (UP) CA (SA) MTP (SA) Samuel Marks - CA (SA) George Davias - CA (SA)  
Douw Gerbrand Steyn Wolmarans - B.Com (UP) B.Compt (Hons) (UP) CA (SA) Eric Michael Clemitson - B.Compt. (Unisa) B.Com.(Hons)(Unisa) CA (SA)  
Fions Johannes du Toit - B.Com (Acc) (RAU) B.Hons (Acc) (RAU) DFP CA (SA) GTP (SA) Marisca Lombard - B.Com (UP) B.Compt (Hons) (Unisa) CA (SA)  
Raymond Stanley Baard - B.Com (RAU) B.Compt (Hons)(Unisa) CA (SA) GTP (SA) Jean-Audre du Toit - B.Com (Acc) (UJ) B.Compt (Hons) (Unisa) CA (SA)  
Melinda Bath - B.Compt (Acc)(PAU) B.Compt (Acc)(Hons)(UNISA) SA ACC GTP (SA) RA CA (SA) Anna Johanna Friedrika Swanepoel - CA (SA)  
Stephanus Isaac Minnaar - B.Com (Acc) (RAU) B.Com (Acc)(Hons)(RAU) M.Com (Taxation) (JP) CA (SA)

IRBA Practice number:  
312476

SAICA Practice number:  
20014860

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the 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 2014 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 entity's constitution.

## **Other reports required by the Companies Act**

As part of our review of the annual financial statements for the year ended 31 July 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the reviewed annual financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the reviewed annual financial statements. However, we have not reviewed this report and accordingly do not express a conclusion on this report.



**Certified Master Auditors Incorporated  
Registered Auditors**

**06 May 2015**

# **The Society for Industrial and Organisational Psychology of South Africa**

Annual Financial Statements for the year ended 31 July 2014

## **Board Members' Report**

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The board members have pleasure in submitting their report on the annual financial statements of The Society for Industrial and Organisational Psychology of South Africa for the year ended 31 July 2014.

### **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 entity operates in South Africa.

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

### **2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with entity specific reporting framework and the requirements of 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 entity are set out in these annual financial statements.

### **3. Property, plant and equipment**

There was no change in the nature of the property, plant and equipment of the entity or in the policy regarding their use.

### **4. 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.

### **5. Review**

The financial statements are subject to an independent review and have been reviewed by Certified Master Auditors Incorporated

**The Society for Industrial and Organisational Psychology of South Africa**  
Annual Financial Statements for the year ended 31 July 2014

**Statement of Financial Position as at 31 July 2014**

Figures in Rand	Note(s)	2014	2013
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	33 951	1
Intangible assets	3	12 362	86 742
		<b>46 313</b>	<b>86 743</b>
<b>Current Assets</b>			
Other financial assets	4	2 210 429	1 965 800
Trade and other receivables	5	77 409	1 107 831
Cash and cash equivalents	6	563 107	602 833
		<b>2 850 945</b>	<b>3 676 464</b>
<b>Total Assets</b>		<b>2 897 258</b>	<b>3 763 207</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		247 368	247 368
Retained income		2 241 497	2 709 205
		<b>2 488 865</b>	<b>2 956 573</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	408 393	806 634
<b>Total Equity and Liabilities</b>		<b>2 897 258</b>	<b>3 763 207</b>



**The Society for Industrial and Organisational Psychology of South Africa**  
 Annual Financial Statements for the year ended 31 July 2014

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	2014	2013
Conference and Membership fees		1 845 193	2 193 105
Conference and Regional costs		(1 262 782)	(1 164 462)
<b>Gross surplus</b>		<b>582 411</b>	<b>1 028 643</b>
Operating expenses		(1 299 031)	(825 104)
<b>Operating surplus (deficit)</b>		<b>(716 620)</b>	<b>203 539</b>
Investment revenue		91 177	50 760
Fair value adjustments		157 735	-
<b>Surplus (deficit) for the year</b>		<b>(467 708)</b>	<b>254 299</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus (deficit) for the year</b>		<b>(467 708)</b>	<b>254 299</b>

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**The Society for Industrial and Organisational Psychology of South Africa**  
Annual Financial Statements for the year ended 31 July 2014

**Statement of Changes in Equity**

Figures in Rand	Share capital	Retained income	Total equity
<b>Balance at 01 August 2012</b>	<b>247 368</b>	<b>2 454 906</b>	<b>2 702 274</b>
Surplus for the year	-	254 299	254 299
Other comprehensive surplus	-	-	-
<b>Total comprehensive surplus for the year</b>	<b>-</b>	<b>254 299</b>	<b>254 299</b>
<b>Balance at 01 August 2013</b>	<b>247 368</b>	<b>2 709 205</b>	<b>2 956 573</b>
Deficit for the year	-	(467 708)	(467 708)
Other comprehensive surplus	-	-	-
<b>Total comprehensive deficit for the year</b>	<b>-</b>	<b>(467 708)</b>	<b>(467 708)</b>
<b>Balance at 31 July 2014</b>	<b>247 368</b>	<b>2 241 497</b>	<b>2 488 865</b>

Note(s)

EMPA

**The Society for Industrial and Organisational Psychology of South Africa**  
Annual Financial Statements for the year ended 31 July 2014

**Statement of Cash Flows**

Figures in Rand	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	9	(10 059)	259 848
Interest income		74 716	50 760
Dividends received		16 461	-
<b>Net cash from operating activities</b>		<b>81 118</b>	<b>310 608</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(33 950)	-
Purchase of other intangible assets	3	-	(99 140)
Purchase of financial assets		(86 894)	(1 965 800)
<b>Net cash from investing activities</b>		<b>(120 844)</b>	<b>(2 064 940)</b>
<b>Total cash movement for the year</b>		<b>(39 726)</b>	<b>(1 754 332)</b>
Cash at the beginning of the year		602 833	2 357 164
<b>Total cash at end of the year</b>	6	<b>563 107</b>	<b>602 832</b>

# The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2014

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the entity specific reporting framework, and the entity's constitution. The annual financial statements have been prepared on the historical cost basis, 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 are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs 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, which is as follows:

Item	Average useful life
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 1.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost.

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate.

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

Item	Useful life
Computer software, other	3 years

# The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2014

## Accounting Policies

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### 1.3 Financial instruments

#### Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

### 1.4 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in surplus or deficit, 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 2014

## Notes to the Annual Financial Statements

Figures in Rand

2014

2013

### 2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost	Accumulated depreciation and impairments	Carrying value
IT equipment	61 184	(27 233)	33 951	27 234	(27 233)	1

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Total
IT equipment	1	33 950	33 951

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Depreciation	Total
IT equipment	2 281	(2 280)	1

### 3. Intangible assets

	2014			2013		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software, other	189 187	(176 825)	12 362	189 187	(102 445)	86 742

#### Reconciliation of intangible assets - 2014

	Opening balance	Amortisation	Total
Computer software	86 742	(74 380)	12 362

#### Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Computer software	50 664	99 140	(63 062)	86 742

### 4. Other financial assets

#### At amortised cost

Investment - Stanlib Fund of Funds SA

2 210 429

1 965 800

#### Current assets

At amortised cost

2 210 429

1 965 800

### 5. Trade and other receivables

Trade receivables

77 409

1 107 831

**The Society for Industrial and Organisational Psychology of South Africa**  
Annual Financial Statements for the year ended 31 July 2014

**Notes to the Annual Financial Statements**

Figures in Rand	2014	2013
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	563 107	602 833
<b>7. Trade and other payables</b>		
Trade payables	226 943	732 713
VAT	143 850	39 362
Other payables	-	9 759
Accrued audit fees	37 600	24 800
	<b>408 393</b>	<b>806 634</b>
<b>8. Reviewers' remuneration</b>		
Fees	12 800	9 800
<b>9. Cash (used in) generated from operations</b>		
Surplus (deficit) before taxation	(467 708)	254 299
<b>Adjustments for:</b>		
Depreciation and amortisation	74 379	65 342
Dividends received	(16 461)	-
Interest received - investment	(74 716)	(50 760)
Fair value adjustments	(157 735)	-
<b>Changes in working capital:</b>		
Trade and other receivables	1 030 422	(789 568)
Trade and other payables	(398 240)	780 535
	<b>(10 059)</b>	<b>259 848</b>

# The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2014

## Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
<b>Revenue</b>			
Conference and events		1 396 348	1 782 158
Sundry revenue		448 845	410 947
		<b>1 845 193</b>	<b>2 193 105</b>
<b>Conference and Regional costs</b>			
		(1 262 782)	(1 164 462)
		<b>582 411</b>	<b>1 028 643</b>
<b>Other income</b>			
Dividends received		16 461	-
Interest received		74 716	50 760
Fair value adjustments		157 735	-
		<b>248 912</b>	<b>50 760</b>
<b>Operating expenses</b>			
Accounting fees		(20 160)	(17 538)
Administration and management fees		(147 516)	(127 349)
Advertising		(22 440)	-
Bank charges		(11 224)	(37 387)
Cartage		(124 567)	(117 641)
Computer expenses		(59 119)	(16 698)
Consumables		(175)	-
Depreciation, amortisation and impairments		(74 379)	(65 342)
Employee costs		(663 535)	(317 928)
Entertainment		(9 568)	-
Insurance		(2 194)	(1 208)
Lease rentals on operating lease		(107 876)	(84 034)
Legal expenses		-	(8 368)
Postage		(513)	(1 084)
Printing and stationery		(11 291)	(7 144)
Reviewers remuneration	8	(12 800)	(9 800)
SARS - penalties and interest		(6 249)	-
Subscriptions		(9 804)	(4 019)
Telephone and fax		(15 621)	(9 564)
		<b>(1 299 031)</b>	<b>(825 104)</b>
<b>Surplus (deficit) for the year</b>		<b>(467 708)</b>	<b>254 299</b>