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SOCIETY FOR INDUSTRIAL &
ORGANISATIONAL PSYCHOLOGY OF SA

THE SOCIETY FOR INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY OF SOUTH AFRICA

(Registration number 042-531-NPO)

Annual Financial Statements
for the year ended 28 February 2019

Issued 17 July 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Professional membership organisation
Board members	S. Titus D. Oosthuizen N.P. Shezi A.F. Lodewyk L. Masoga Dr. M Brouwers
Reviewer	C.J. van Dyk (C.A.)S.A. Partner Menlyn Woods Office Park Block D First Floor 291 Sprite Avenue Pretoria 0041 PO Box 70947 The Willows Pretoria 0041
Preparer	The annual financial statements were independently compiled by: Accountants-on-site (Pty) Ltd

Contents

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

Level of assurance

These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Non-Profit Organisations Act No.71 of 1997.

Preparer

Accountants-on-site (Pty) Ltd

Published

17 July 2019

Board members' Responsibilities and Approval

The board members are required by the Non-Profit Organisations Act No.71 of 1997, 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 organisation 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 board members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation 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 organisation's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, They are satisfied that the organisation 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 organisation's annual financial statements. The annual financial statements have been examined by the organisation's independent reviewer and their report is presented on page 5.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the board on 17 July 2019 and were signed on its behalf by:

Approval of annual financial statements

Danie Oosthuizen	Shirleen Titus
Board member	**Board member**

Board members' Report

The Board 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 28 February 2019.

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.

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

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 Non-Profit Organisations Act No.71 of 1997. The accounting policies have been applied consistently compared to the prior .

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

3. Board Members

The Board members in office at the date of this report are as follows:

Board Members
S. Titus
D. Oosthuizen
N.P. Shezi
A.F. Lodewyk
L. Masoga
Dr. M Brouwers

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 annual financial statements are subject to an independent review and have been reviewed by C.J. van Dyk (C.A.)S.A.

C.J. van Dyk (C.A.) S.A.

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Chartered accountants / Geoktrooieerde rekenmeesters

Independent Reviewer's Report

To the shareholder of THE SOCIETY FOR INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY OF SOUTH AFRICA

I have reviewed the annual financial statements of THE SOCIETY FOR INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY OF SOUTH AFRICA, set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2019 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.

Board members' Responsibility for the Annual Financial Statements

The organisation’s Board members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act No.71 of 1997, and for such internal control as the Board members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

My responsibility is to express a conclusion on these annual financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical annual financial statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires me to conclude whether anything has come to my attention that causes me 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 me 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, I do not express an audit opinion on these annual financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me 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 28 February 2019, and its financial performance and cash flows for the then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act No.71 of 1997.

CJ v Dyk

C.J. van Dyk (C.A.)S.A.
Partner

17 July 2019
Pretoria

Statement of Financial Position as at 28 February 2019

Figures in Rand	Note(s)	28 February 2019	28 February 2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	1	1
Intangible assets	3	1	100,273
		2	**100,274**
Current Assets			
Trade and other receivables	4	1,106,883	1,424,866
Other financial assets	5	475,313	599,318
Cash and cash equivalents		476,481	141,115
		2,058,677	**2,165,299**
Total Assets		**2,058,679**	**2,265,573**
Equity and Liabilities			
Equity			
Retained income		1,965,919	1,863,373
Liabilities			
Current Liabilities			
Trade and other payables	6	92,760	402,200
Total Equity and Liabilities		**2,058,679**	**2,265,573**

Statement of Comprehensive Income

Figures in Rand	Note(s)	12 months ended 28 February 2019	7 months ended 28 February 2018
Revenue			
Rendering of services		3,112,015	1,200,820
Cost of sales			
Purchases		(1,551,604)	(158,291)
Gross profit		**1,560,411**	**1,042,529**
Other income			
Expenses recovered		1,604	-
Dividends received		-	5,728
Interest received		44,354	17,762
		45,958	**23,490**
Operating expenses			
Accounting fees		(151,280)	(6,505)
Advertising		(10,944)	(1,184)
Bad debts		-	(274,157)
Bank charges		(15,439)	(9,801)
Catering		-	(3,541)
Computer expenses		(125,844)	(88,527)
Consulting and professional fees		(134,140)	(48,724)
Depreciation, amortisation and impairments		(100,272)	(34,200)
Donations		(140,000)	-
Employee costs		(441,363)	(591,546)
Entertainment		-	(2,000)
Insurance		(6,640)	(3,209)
Lease rentals on operating lease		(152,523)	(107,658)
Meeting expenses		(12,555)	-
Minor assets		(1,564)	-
Office expenses		(13,169)	-
Printing and stationery		(21,777)	-
Staff welfare		(8,870)	-
Subscriptions		(46,500)	(21,080)
Telephone and fax		(39,510)	(13,921)
Travel - local		(81,433)	(45,941)
		(1,503,823)	**(1,251,994)**
Profit (loss) for the		**102,546**	**(185,975)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the		**102,546**	**(185,975)**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 March 2017	**2,049,348**	**2,049,348**
Loss for the	(185,975)	(185,975)
Other comprehensive income	-	-
Total comprehensive loss for the	**(185,975)**	**(185,975)**
Balance at 01 March 2018	**1,863,373**	**1,863,373**
Profit for the	102,546	102,546
Other comprehensive income	-	-
Total comprehensive income for the	**102,546**	**102,546**
Balance at 28 February 2019	**1,965,919**	**1,965,919**

Statement of Cash Flows

Figures in Rand	Note(s)	12 months ended 28 February 2019	7 months ended 28 February 2018
Cash flows from operating activities			
Cash generated from (used in) operations		167,007	(69,268)
Interest income		44,354	17,762
Dividends received		-	5,728
Net cash from operating activities		**211,361**	**(45,778)**
Cash flows from investing activities			
Purchase of other intangible assets	3	-	(127,823)
Purchase of financial assets		-	(19,041)
Sale of financial assets		124,005	-
Net cash from investing activities		**124,005**	**(146,864)**
Total cash movement for the		**335,366**	**(192,642)**
Cash at the beginning of the		141,115	333,754
Total cash at end of the		**476,481**	**141,112**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Non-Profit Organisations Act No.71 of 1997. 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 are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the organisation and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation.

The useful lives of items of property, plant and equipment have been assessed as follows:

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

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Accounting Policies

1.2 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.

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.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Revenue

Revenue is recognised to the extent that the organisation 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 organisation. 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.

Notes to the Annual Financial Statements

Figures in Rand	12 months ended 28 February 2019	7 months ended 28 February 2018

2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
IT equipment	61,184	(61,183)	1	61,184	(61,183)	1

3. Intangible assets

	2019			2018		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	326,984	(326,983)	1	326,984	(226,711)	100,273

Reconciliation of intangible assets - 2018

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	6,650	127,823	(34,200)	100,273

4. Trade and other receivables

Trade receivables	1,086,901	1,404,884
Deposits	19,982	19,982
	1,106,883	**1,424,866**

5. Other financial assets

At fair value		
Stanlib Unit Trust	475,313	599,318
Current assets		
At fair value	475,313	599,318

6. Trade and other payables

Trade payables	32,344	4
VAT	44,426	211,791
Accrued leave pay	15,990	22,250
PAYE, SDL & UIF accrual	-	153,155
Accrued audit fees	-	15,000
	92,760	**402,200**