

**PSYCHOLOGICAL SOCIETY OF SOUTH AFRICA
(Association Not For Gain)**

NON PROFIT ORG. REG NO.: 013-083 NPO

TAX EXEMPTION NO. : 18/11/2/6350

REGISTERED OFFICE : Killarney Mall
Suite 110 Office Towers
Killarney

EXECUTIVE COMMITTEE : Dr E Tlou (President)
Prof S Ngcobo (President-Elect)
Prof K Ratele (Past President)
Dr L Olivier (Treasurer)
Prof A Pillay
Mr U Bawa
Prof L Nicholas
Dr I Opperman

AUDITORS : Karolia Jeena Inc.
Chartered Accounts S.A.

BANKERS : ABSA Bank
Branch: Rosebank Central

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements, as well as the supplementary information set out on pages 2 - 11, have been approved by the board on 12 March 2011 and are signed hereunder on its behalf.



DR L OLIVIER (Treasurer)



DR E TLOU (President)



KAROLIA JEENA inc.

Registration No: 2000/007138/21

REGISTERED PUBLIC ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (S.A.)

TAARIQ CRESCENT
30 JELICOE AVENUE
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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PSYCHOLOGICAL SOCIETY OF SOUTH AFRICA (ASSOCIATION NOT FOR GAIN)

We have audited the annual financial statements of **Psychological Society of South Africa**, which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 2-8.

Executive Committees' Responsibility for the Financial Statements

The organisation's executive committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and in a manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 executive committee, as well as evaluating the overall presentation of the financial statements.

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

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society at 31 December 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and in a manner required by the Companies Act of South Africa.

Supplementary Information

The supplementary schedule set out on page 9 does not form part of the annual financial statements and is presented as additional information.

KAROLIA JEENA Inc. REGISTERED AUDITORS



Per N.M.S. Hadjee Chartered Accountant (SA), Registered Auditor
JOHANNESBURG
12 March 2011

DIRECTORS: MOOSA JEEN B. Com. Hons. B. Compt. CA (SA), MBA (Wits) MOHAMMED A. KAKA B. Com. B. Acc. (Wits) CA (SA)
NAEEM M.S. HADJEE B. Com (Wits), Hons (UND), CA (SA)

PSYCHOLOGICAL SOCIETY OF SOUTH AFRICA (PsySSA)

STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

	NOTE	2010 R	2009 R
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	26 172	75 188
CURRENT ASSETS			
Trade and other receivables		366 265	311 706
Cash and cash equivalents	5	656 692	472 683
TOTAL ASSETS		1 049 129	859 577
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		1 016 470	839 577
CURRENT LIABILITIES			
Trade and other payables		32 659	20 000
TOTAL EQUITY AND LIABILITIES		1 049 129	859 577

PSYCHOLOGICAL SOCIETY OF SOUTH AFRICA (PsySSA)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

	NOTE	2010 R	2009 R
REVENUE	1.1	2 384 647	2 228 255
OTHER INCOME		53 035	28 079
OPERATING EXPENDITURE	6	(2 260 789)	(1 989 559)
NET SURPLUS FOR YEAR TRANSFERRED TO ACCUMULATED FUNDS		<u>176 893</u>	<u>266 775</u>
ACCUMULATED FUNDS AT BEGINNING OF THE YEAR		839 577	572 802
ACCUMULATED FUNDS AT END OF THE YEAR		<u><u>1 016 470</u></u>	<u><u>839 577</u></u>

PSYCHOLOGICAL SOCIETY OF SOUTH AFRICA (PsySSA)

STATEMENT OF CASH FLOWS WITH NOTES THERETO

for the year ended 31 December 2010

	NOTE	2010 R	2009 R
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts		2 492 241	2 388 002
Cash payments to vendors and employees		(2 298 367)	(2 254 430)
Cash generated from operations	1	193 874	133 572
Interest received		-	-
<i>Net cash inflow from operating activities</i>		193 874	133 572
CASH FLOWS FROM INVESTING ACTIVITIES:			
Fixed assets acquired		(9 865)	(66 740)
<i>Net cash outflow from investing activities</i>		(9 865)	(66 740)
Net movement in cash and cash equivalents		184 009	66 832
Cash and cash equivalents at beginning of year		472 683	405 851
Cash and cash equivalents at end of year		656 692	472 683

NOTES TO THE CASH FLOW STATEMENT

1. CASH GENERATED FROM OPERATIONS:

Net surplus for the year	176 893	266 775
Adjustments for:		
Depreciation	58 882	18 421
Decrease in accounts payable	12 659	(19 956)
(Increase) in accounts receivable	(54 560)	(131 668)
	193 874	133 572

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis of accounting and incorporate the following principal accounting policies, set out below:

1.1 REVENUE

Revenue represents membership fees received as well as other income generated in the furtherance of the associations objectives. Revenues are stated net of value added taxation.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the association; and
- the cost of the item can be measured reliably.

Cost of property, plant and equipment includes all directly attributable expenditure incurred in the acquisition, establishment and installation of such assets so as to bring them to a working condition for their intended use.

Interest costs are not capitalised.

Depreciation is charged to income on a straight line basis at rates considered appropriate to reduce book values of each asset to its estimated residual value over their useful lives.

The assumptions regarding estimated useful lives for the financial year are as follows:

Computer equipment	5 years (20%)
Furniture and fittings	5 years (20%)
Office equipment	10 years (10%)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

1. ACCOUNTING POLICIES (Continued....)

1.3 FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet includes cash and bank balances, trade and other receivables and trade and other payables.

Financial assets are recognised when the organisation has rights or other access to economic benefits. Such assets consist of cash or a contractual right to receive cash or another financial asset.

Financial assets, or a portion of financial asset, are derecognised when, and only when, the entity loses control of the contractual rights that comprise the financial asset (or a portion of the financial asset). Such control is lost if the entity realises the right to benefits specified in the contract, the rights expire, or the entity surrenders those rights.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms.

The recognition and measurement criteria for each of these financial instruments are separately disclosed under their respective accounting policies.

1.4 TRADE AND OTHER RECEIVABLES

Receivables are stated at original investment less principal payments, amortisations, and less accumulated impairment losses.

1.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at its face value.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand, and bank overdrafts, which form an integral part of the entity's cash management, all of which are available for use by the entity unless otherwise stated.

1.6 TRADE AND OTHER PAYABLES

Trade and other payables are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

1. ACCOUNTING POLICIES (Continued....)

1.7 FINANCIAL RISK MANAGEMENT

1.7.1 Financial Risk Factors

The entity purchases or issues financial instruments in order to finance its operations and to manage the interest rate risks that arise from its operations and sources of finance. Various financial assets and liabilities, for example trade receivables, trade payables, other payables and provisions, arise directly from the entity's operations.

Changing market conditions expose the entity to various financial risks and have highlighted the importance of financial risk management as an element of control for the entity. Principal financial risks faced in the normal course of the entity's business are interest rate risk, credit risk and liquidity risk.

1.7.2 Interest Rate Risk

The entity's income and operating cash flows are substantially independent of changes in market interest rates. It is the policy of the entity to limit its exposure to interest rate movements.

1.7.3 Credit Risk

Financial assets, which potentially subject the entity to concentrations of credit risk, consist principally of cash, short-term deposits and trade receivables.

1.7.4 Liquidity Risk

The entity manages its liquidity risk through forecasting and monitoring cash flows on a monthly basis.

2. ASSOCIATION'S INCORPORATION AND MAIN OBJECT

The society was incorporated as an "Association Not For Gain" in January 1994. The society is specially prohibited from distributing in specie or kind any of its assets amongst its members.

The main object of the Association is to promote the common interests of the members of the Society, who are practitioners of or who are involved in the field of psychology.

3. TAXATION

The Association is exempt from income tax in terms of Section 10(1)(d) of the Act. Donations by or to the Association are exempt from donations tax in terms of section 56(1)(h) of the Act.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

(Continued),.....

	2010 R	2009 R
4. PROPERTY, PLANT AND EQUIPMENT		
Computer equipment	11 088	69 394
Cost	291 536	291 536
Accumulated depreciation	(280 448)	(222 142)
Furniture and fittings	1	1
Cost	52 764	52 764
Accumulated depreciation	(52 763)	(52 763)
Office equipment	15 083	5 793
Cost	142 832	132 967
Accumulated depreciation	(127 749)	(127 174)
Carrying value	26 172	75 188
Movement in carrying value		
Additions		
Office equipment	9 865	
Depreciation	(58 882)	(18 421)
	(49 017)	(18 421)
5. CASH AND CASH EQUIVALENTS		
5.1 PsySSA cheque account	277 950	145 712
5.2 PsySSA congress cheque account	378 742	326 971
	656 692	472 683

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

(Continued).....

	2010 R	2009 R
6. OPERATING EXPENDITURE		
Operating expenditure is stated after taking into account the items detailed below:		
Auditors remuneration	27 680	19 990
- Current provision	20 000	20 000
- Prior years over provision	(7 680)	(10)
Depreciation	58 882	18 421

PSYCHOLOGICAL SOCIETY OF SOUTH AFRICA (PsySSA)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 December 2010

	2010 R	2009 R
INCOME	2 437 682	2 256 334
Membership fees received	872 588	822 493
Other income	53 035	28 079
Congress income	1 130 582	1 091 564
Directory income	8 711	15 658
PsyTalk income	5 340	15 810
Professional indemnity	3 080	4 350
Congress workshop income	182 412	153 113
Workshop Income	33 716	-
SAJP income	148 218	125 267
EXPENDITURE	2 260 789	1 989 559
Auditors remuneration	27 680	19 990
Bank charges	29 362	34 889
Committee expenses	10 544	6 599
Congress expenses	836 294	589 681
Depreciation	58 882	18 421
Divisional payments	39 712	36 642
Insurance	7 869	10 498
SAJP	201 925	200 608
PsyTalk	22 440	23 125
Rental, electricity and water	169 975	215 095
Repairs and maintenance	22 408	2 132
Salaries and Honoraria	482 536	520 058
Stationery, printing and postage	21 806	13 847
Strat plan meeting	-	42 445
Subscriptions	7 529	3 000
Tariff research	-	40 000
Telephone and fax	54 548	74 927
Travel and accommodation	20 458	20 044
Website and systems administration	39 712	46 162
2012 Conference	207 109	71 396
NET SURPLUS FOR THE YEAR	176 893	266 775

