

Employee Assistance Professionals Association of South Africa NPC
(Registration number 2010/000221/08)
Audited Financial Statements
for the year ended 31 December 2018



JLC AUDITORS INC.

*Chartered Accountants (SA)
Registered Auditors*

Company Reg. No. 2014/023377/21

Employee Assistance Professionals Association of South Africa NPC

(Registration number: 2010/000221/08)

Audited Financial Statements for the year ended 31 December 2018

General Information

| | |
|--|---|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Membership organisation of employee assistance professionals |
| Directors | T Govender R Vandayar JM Gumede |
| Registered office | 1148 Jan Shoba Street Med-Park Brooklyn Pretoria 0181 |
| Auditor | J Coetzee JLC Auditors Inc. Chartered Accountant (SA) Registered Auditor |

Employee Assistance Professionals Association of South Africa NPC

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Audited Financial Statements for the year ended 31 December 2018

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Employee Assistance Professionals Association of South Africa NPC

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Audited Financial Statements for the year ended 31 December 2018

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the audited financial statements and related financial information included in this report. It is their responsibility to ensure that the audited financial statements fairly present the state of affairs of the company 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 external auditor is engaged to express an independent opinion on the audited financial statements.

The audited 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 directors to meet these responsibilities, the board of directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 audited financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's audited financial statements. The audited financial statements have been examined by the company's external auditor and their report is presented on page 5.

The audited financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the board of directors on 16 August 2019 and were signed on its behalf by:

Approval of audited financial statements



T Govender



R Vandayar

Employee Assistance Professionals Association of South Africa NPC

(Registration number: 2010/000221/08)

Audited Financial Statements for the year ended 31 December 2018

Directors' Report

The directors have pleasure in submitting their report on the audited financial statements of Employee Assistance Professionals Association of South Africa NPC and its associates for the year ended 31 December 2018.

1. Review of financial results and activities

The audited 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. 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 audited financial statements.

2. Directors

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

Directors

T Govender

R Vandayar

JM Gumede

3. Events after the reporting period

The directors 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 directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited financial statements have been prepared on a going concern basis. The directors 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 directors are not aware of any new material changes that may adversely impact the company. The directors 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. Auditors

JLC Auditors Inc. continued in office as auditors for the company for 2019.



JLC AUDITORS INC.

*Chartered Accountants (SA)
Registered Auditors*

*Company Reg. No.
2014/023377/21*

Independent Auditor's Report

To the shareholder of Employee Assistance Professionals Association of South Africa NPC

Opinion

We have audited the financial statements of Employee Assistance Professionals Association of South Africa NPC set out on pages 6 to 11, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the audited financial statements, including a summary of significant accounting policies.

In our opinion, the audited financial statements present fairly, in all material respects, the financial position of Employee Assistance Professionals Association of South Africa NPC as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Responsibilities of the directors for the Audited Financial Statements

The directors are responsible for the preparation and fair presentation of the audited financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of audited financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Audited Financial Statements

Our objectives are to obtain reasonable assurance about whether the audited financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these audited financial statements.



J. Coetzee
JLC Auditors Inc.
Chartered Accountants (SA)
Registered Auditors

**16 August 2019
Pretoria**

Employee Assistance Professionals Association of South Africa NPC

(Registration number: 2010/000221/08)

Audited Financial Statements for the year ended 31 December 2018

Statement of Financial Position as at 31 December 2018

| Figures in Rand | Note(s) | 2018 | 2017 |
|-------------------------------------|---------|------------------|------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 43,111 | - |
| Current Assets | | | |
| Trade and other receivables | 3 | 347,033 | 162,415 |
| Cash and cash equivalents | 4 | 2,979,529 | 1,962,792 |
| | | 3,326,562 | 2,125,207 |
| Total Assets | | 3,369,673 | 2,125,207 |
| Equity and Liabilities | | | |
| Equity | | | |
| Retained income | | 3,369,083 | 2,121,395 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 5 | 590 | 3,812 |
| Total Equity and Liabilities | | 3,369,673 | 2,125,207 |

Employee Assistance Professionals Association of South Africa NPC

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Audited Financial Statements for the year ended 31 December 2018

Statement of Comprehensive Income

| Figures in Rand | Note(s) | 2018 | 2017 |
|--|---------|--------------------|--------------------|
| Revenue | | | |
| Sales | | 4,608,638 | 3,212,524 |
| Cost of sales | | | |
| Purchases | | (2,140,027) | (2,070,326) |
| Gross profit | | 2,468,611 | 1,142,198 |
| Other income | | | |
| Discount received | | - | 41,308 |
| Interest received | | 97,489 | 82,001 |
| | | 97,489 | 123,309 |
| Operating expenses | | | |
| Accounting fees | | (22,297) | (13,394) |
| Administration and management fees | | - | (570) |
| Advertising | | (91,857) | (23,962) |
| Bad debts | | (5,830) | - |
| Bank charges | | (11,376) | (10,469) |
| Board member claim | | (139,281) | (113,143) |
| Cleaning | | (7,900) | - |
| Depreciation, amortisation and impairments | | (899) | (17,909) |
| EAPA-SA International Costs | | (91,237) | (38,168) |
| Employee costs | | (363,045) | (288,323) |
| Gifts | | (23,900) | (24,849) |
| Insurance | | (12,705) | (4,754) |
| Lease rentals on operating lease | | (136,037) | (147,716) |
| Meeting refreshment | | (10,304) | (15,612) |
| Municipal expenses | | (6,793) | (723) |
| Postage | | (3,450) | (7,952) |
| Printing and stationery | | (9,969) | (13,479) |
| Repairs and maintenance | | (957) | - |
| Staff welfare | | (770) | (9,181) |
| Subscriptions | | (11,808) | (1,952) |
| Telephone and fax | | (31,183) | (26,865) |
| Training | | (13,202) | (25,650) |
| Travel - local | | (323,424) | (339,068) |
| | | (1,318,224) | (1,123,739) |
| Operating profit | | 1,247,876 | 141,768 |
| Finance costs | | (188) | (71) |
| Profit for the year | | 1,247,688 | 141,697 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 1,247,688 | 141,697 |

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Statement of Changes in Equity

| Figures in Rand | Retained income | Total equity |
|--|------------------|------------------|
| Balance at 01 January 2017 | 1,979,698 | 1,979,698 |
| Profit for the year | 141,697 | 141,697 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 141,697 | 141,697 |
| Balance at 01 January 2018 | 2,121,395 | 2,121,395 |
| Profit for the year | 1,247,688 | 1,247,688 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 1,247,688 | 1,247,688 |
| Balance at 31 December 2018 | 3,369,083 | 3,369,083 |
| Note(s) | | |

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Statement of Cash Flows

| Figures in Rand | Note(s) | 2018 | 2017 |
|---|---------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 6 | 963,446 | 318,994 |
| Interest income | | 97,489 | 82,001 |
| Finance costs | | (188) | (71) |
| Net cash from operating activities | | 1,060,747 | 400,924 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (44,011) | - |
| Total cash movement for the year | | 1,016,736 | 400,924 |
| Cash at the beginning of the year | | 1,962,792 | 1,561,867 |
| Total cash at end of the year | 4 | 2,979,528 | 1,962,791 |

Employee Assistance Professionals Association of South Africa NPC

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Audited Financial Statements for the year ended 31 December 2018

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The audited 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 Companies Act 71 of 2008. The audited 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 assets which the company 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 company 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 company.

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

| Item | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Furniture and fixtures | Straight line | 5 year |

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.

1.2 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.

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Notes to the Audited Financial Statements

| Figures in Rand | 2018 | 2017 |
|-----------------|------|------|
|-----------------|------|------|

2. Property, plant and equipment

| | 2018 | | | 2017 | | |
|------------------|---------------------|--------------------------|----------------|---------------------|--------------------------|----------------|
| | Cost or revaluation | Accumulated depreciation | Carrying value | Cost or revaluation | Accumulated depreciation | Carrying value |
| Buildings | 30,000 | - | 30,000 | - | - | - |
| Office Equipment | 40,609 | (27,498) | 13,111 | 26,599 | (26,599) | - |
| Total | 70,609 | (27,498) | 43,111 | 26,599 | (26,599) | - |

Reconciliation of property, plant and equipment - 2018

| | Opening balance | Additions | Depreciation | Closing balance |
|------------------|-----------------|---------------|--------------|-----------------|
| Buildings | - | 30,000 | - | 30,000 |
| Office Equipment | - | 14,011 | 900 | 13,111 |
| | - | 44,011 | 900 | 43,111 |

Reconciliation of property, plant and equipment - 2017

| | Opening balance | Depreciation | Closing balance |
|-------------------------------|-----------------|--------------|-----------------|
| Property, plant and equipment | 26,599 | (26,599) | - |

3. Trade and other receivables

| | | |
|-------------------|---------|---------|
| Trade receivables | 347,033 | 162,415 |
|-------------------|---------|---------|

4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------|-----------|-----------|
| Bank balances | 2,979,529 | 1,962,792 |
|---------------|-----------|-----------|

5. Trade and other payables

| | | |
|---------------------|------------|--------------|
| Leave Value Accrual | - | 1,069 |
| SARS PAYE | 590 | 2,743 |
| | 590 | 3,812 |

6. Cash generated from operations

| | | |
|------------------------------------|----------------|----------------|
| Profit before taxation | 1,247,688 | 141,697 |
| Adjustments for: | | |
| Depreciation and amortisation | 899 | 17,909 |
| Interest received | (97,489) | (82,001) |
| Finance costs | 188 | 71 |
| Movement in provision | - | 1,068 |
| Changes in working capital: | | |
| Trade and other receivables | (184,618) | 240,391 |
| Trade and other payables | (3,222) | (141) |
| | 963,446 | 318,994 |