



Employee Assistance Professionals Association of South Africa NPC
(Registration Number 2010/000221/08)
Annual Financial Statements
for the year ended 31 December 2019



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)

Annual Financial Statements for the year ended 31 December 2019

Index

General Information	2
Directors' Responsibilities and Approval	3
Directors' Report	4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Financial Statements	12 - 13
The supplementary information presented does not form part of the Financial Statements and is unaudited: Detailed Income Statement	14 - 15

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Annual Financial Statements for the year ended 31 December 2019

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2010/000221/08
Nature of Business and Principal Activities	Membership organisation of employee assistance professionals
Directors	T. Govender R. Vandayar J.M. Gumede
Business Address	1148 Jan Shoba Street Med-Park Brooklyn Pretoria 0181
Chartered Accountants CA(SA)	JLC Auditors (Inc.) 193 Sefako Makgatho Drive Sinoville Pretoria 0182

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Responsibilities and Approval

The directors are required 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 satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit company, and explain the transactions and financial position of the business of the non-profit company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit company 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 non-profit company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 non-profit company and all employees are required to maintain the highest ethical standards in ensuring the non-profit company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit company is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit company. While operating risk cannot be fully eliminated, the non-profit 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 and the external auditors, 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the non-profit company will not be a going concern in the foreseeable future. The financial statements support the viability of the non-profit company.

The annual financial statements have been audited by the independent auditing firm, JLC Auditors (Inc.), who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the member, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 5 to 6.

The annual financial statements set out on pages 7 to 13, and the supplementary information set out on pages 14 to 15 which have been prepared on the going concern basis, were approved by the directors and were signed on 20 April 2020 on their behalf by:

T. Govender

R. Vandayar

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

The directors present their report for the year ended 31 December 2019.

1. Review of activities

Main business and operations

The principal activity of the non-profit company is membership organisation of employee assistance professionals. There were no major changes herein during the year.

The operating results and statement of financial position of the non-profit company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit company.

4. Directors

The directors of the non-profit company during the year and up to the date of this report are as follows:

T. Govender

R. Vandayar

J.M. Gumede

5. Independent Auditors

JLC Auditors (Inc.) were the Independent auditors for the year under review.



JLC AUDITORS INC.

Chartered Accountants (SA)
Registered Auditors

Company Reg. No.
2014/023377/21

Independent Auditor's Report

To the Member 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 7 to 13, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Employee Assistance Professionals Association of South Africa NPC as at 31 December 2019, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the non-profit company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

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



JLC AUDITORS INC.

*Chartered Accountants (SA)
Registered Auditors*

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2014/023377/21*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

JLC Auditors (Inc.)

20 April 2020



J. Coetzee
Registered Auditor
Chartered Accountant (SA)

193 Sefako Makgatho Drive
Sinoville
Pretoria
0182

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Financial Statements for the year ended 31 December 2019

Statement of Financial Position

Figures in R	Notes	2019	2018
Assets			
Non-current assets			
Property, plant and equipment	2	1 261 337	43 111
Total non-current assets		1 261 337	43 111
Current assets			
Trade and other receivables	3	470 631	347 033
Cash and cash equivalents	4	2 763 254	2 979 530
Total current assets		3 233 885	3 326 563
Total assets		4 495 222	3 369 674
Equity and liabilities			
Equity			
Accumulated surplus		4 490 702	3 369 083
Liabilities			
Current liabilities			
Provisions	5	4 520	591
Total liabilities		4 520	591
Total equity and liabilities		4 495 222	3 369 674

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

Figures in R	2019	2018
Revenue	5 061 390	4 608 638
Cost of sales	(2 827 954)	(2 092 727)
Gross surplus	2 233 436	2 515 911
Administrative expenses	(97 921)	(76 666)
Other expenses	(1 160 010)	(1 288 860)
Surplus from operating activities	975 505	1 150 385
Finance income	146 134	97 489
Finance costs	(19)	(188)
Surplus for the year	1 121 620	1 247 686

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 January 2018	2 121 396	2 121 396
Changes in equity		
Surplus for the year	1 247 687	1 247 687
Total comprehensive Income	1 247 687	1 247 687
Balance at 31 December 2018	3 369 083	3 369 083
Balance at 1 January 2019	3 369 083	3 369 083
Changes in equity		
Surplus for the year	1 121 620	1 121 620
Total comprehensive Income	1 121 620	1 121 620
Balance at 31 December 2019	4 490 702	4 490 702

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Financial Statements for the year ended 31 December 2019

Statement of Cash Flows

Figures in R

	Notes	2019	2018
Cash flows from operations			
Cash receipts from customers		4 903 795	4 418 190
Cash paid to suppliers and employees		(4 026 483)	(3 454 744)
Net cash flows from operations	6	-	-
Net cash flows from operations	6	877 312	963 446
Interest paid		(19)	(188)
Interest received		146 134	97 489
Net cash flows from operating activities		1 023 427	1 060 747
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1 239 702)	(44 010)
Cash flows used in investing activities		(1 239 702)	(44 010)
Net (decrease) / increase in cash and cash equivalents		(216 276)	1 016 737
Cash and cash equivalents at beginning of the year		2 979 530	1 962 793
Cash and cash equivalents at end of the year	4	2 763 254	2 979 530

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Financial Statements for the year ended 31 December 2019

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements of Employee Assistance Professionals Association of South Africa NPC have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Security Equipment	5 years
Fixtures and fittings	5 years
Office equipment	5 years

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

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; and
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Interest income is recognised using the effective interest method.

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

Figures in R

2019

2018

2. Property, plant and equipment

2.1 Balances at year end and movements for the year

	Land	Security Equipment	Fixtures and fittings	Office equipment	Total
Reconciliation for the year ended 31 December 2019					
Balance at 1 January 2019					
At cost	30 000	-	-	40 609	70 609
Accumulated depreciation	-	-	-	(27 498)	(27 498)
Net book value	30 000	-	-	13 111	43 111
Movements for the year ended 31 December 2019					
Additions from acquisitions	1 173 000	7 000	59 203	499	1 239 702
Depreciation	-	(6 999)	(5 857)	(8 620)	(21 476)
Property, plant and equipment at the end of the year	1 203 000	1	53 346	4 990	1 261 337
Closing balance at 31 December 2019					
At cost	1 203 000	7 000	59 203	41 108	1 310 311
Accumulated depreciation	-	(6 999)	(5 857)	(36 118)	(48 974)
Net book value	1 203 000	1	53 346	4 990	1 261 337

3. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	457 131	347 033
Deposits	13 500	-
Total trade and other receivables	470 631	347 033

4. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash		
Cash on hand	39	13
Balances with banks	2 763 215	2 979 517
Total cash	2 763 254	2 979 530

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

Figures in R

2019

2018

5. Provisions

5.1 Provisions comprise:

SARS - PAYE

4 520

591

4 520

591

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Annual Financial Statements for the year ended 31 December 2019

Detailed Income Statement

Figures in R	2019	2018
Revenue		
Rendering of services	5 061 390	4 608 638
Total revenue	5 061 390	4 608 638
Cost of sales		
Rendering of services	(2 827 954)	(2 092 727)
Total cost of sales	(2 827 954)	(2 092 727)
Gross surplus	2 233 436	2 515 911
Administrative expenses		
Accounting fees	(23 029)	(22 297)
Bank charges	(8 777)	(11 376)
Subscriptions	(36 048)	(11 808)
Telephone and fax	(30 067)	(31 184)
Total administrative expenses	(97 921)	(76 665)
Other expenses		
Advertising	(104 588)	(91 857)
Bad debts	(33 997)	(5 830)
Board member claims	(107 130)	(139 281)
Cleaning	(2 540)	(7 900)
Consulting fees	(7 325)	(47 300)
Depreciation - property, plant and equipment	(21 476)	(899)
EAPA- SA International costs	(28 578)	(91 237)
Electricity and water	-	(6 793)
Employee costs - salaries	(422 174)	(363 045)
Fines and penalties	(746)	-
Gifts	(34 526)	(23 900)
Insurance	(12 973)	(12 705)
Lease rental on operating lease	(76 845)	(136 037)
Management fees	(36 693)	(10 304)
Postage	(3 448)	(3 450)
Printing and stationery	(11 798)	(9 969)
Repairs and maintenance	(600)	(957)
Security	(320)	-
Staff welfare	-	(770)
Training	-	(13 202)
Travel - local	(254 253)	(323 424)
Total other expenses	(1 160 010)	(1 288 860)
Surplus from operating activities	975 505	1 150 386

Employee Assistance Professionals Association of South Africa NPC

(Registration Number 2010/000221/08)

Annual Financial Statements for the year ended 31 December 2019

Detailed Income Statement

Figures in R	2019	2018
Finance income		
Interest received	146 134	97 489
Total finance income	<u>146 134</u>	<u>97 489</u>
Finance costs		
Interest paid	(19)	(188)
Total finance costs	<u>(19)</u>	<u>(188)</u>
Surplus for the year	<u>1 121 620</u>	<u>1 247 687</u>