

**Association of Southern African Travel Agents  
Financial statements  
for the year ended 31 March 2014**

**These financial statements were prepared by:  
JP Smit  
CA(SA) / RA**

**GZ & Co.  
Registered Auditors  
Published 31 July 2014**

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

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The following supplementary information does not form part of the financial statements and is unaudited:

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### Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### Preparer

JP Smit  
CA(SA) / RA

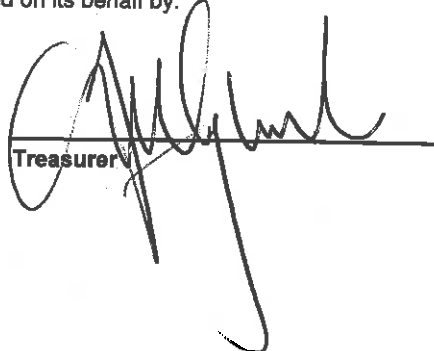
### Published

31 July 2014

The financial statements set out on pages 3 to 10, which have been prepared on the going concern basis, were approved by the Board of Executives on 31 July 2014 and were signed on its behalf by:



\_\_\_\_\_  
President



\_\_\_\_\_  
Treasurer

## Independent Auditors' Report

### To the members of Association of Southern African Travel Agents

We have audited the accompanying financial statements of Association of Southern African Travel Agents, which comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 10.

### Board of Executives' Responsibility for the Financial Statements

The association's executives are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act 71 of 2008. 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.

### Auditors' 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 procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors 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 directors, 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.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act 71 of 2008.

### Supplementary Information

We draw your attention to the fact that the supplementary information set out on pages 11 to 12 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

  
GZ & Co.  
Registered Auditors

31 July 2014  
Johannesburg

ED Bantz

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Statement of Financial Position as at 31 March 2014

Figures in Rand	Note(s)	2014	2013
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	113 774	37 026
Investments in subsidiaries	3	37 380	37 380
		<u>151 154</u>	<u>74 406</u>
<b>Current Assets</b>			
Trade and other receivables	4	286 647	47 186
Cash and cash equivalents	5	3 929 701	2 749 054
		<u>4 216 348</u>	<u>2 796 240</u>
<b>Total Assets</b>		<u>4 367 502</u>	<u>2 870 646</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves		37 380	37 380
Retained income		3 214 063	1 398 703
		<u>3 251 443</u>	<u>1 436 083</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	1 116 059	1 434 563
<b>Total Equity and Liabilities</b>		<u>4 367 502</u>	<u>2 870 646</u>

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue	7	6 309 147	4 721 938
Other income		38 708	-
Operating expenses		(4 741 351)	(4 040 725)
<b>Operating profit</b>		<b>1 606 504</b>	<b>681 213</b>
Investment revenue	8	209 011	136 984
Finance costs		(155)	-
<b>Profit for the year</b>		<b>1 815 360</b>	<b>818 197</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1 815 360</b>	<b>818 197</b>

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Statement of Changes in Equity

Figures in Rand	Revaluation reserve	Retained income	Total equity
<b>Balance at 01 April 2012</b>	<b>37 380</b>	<b>580 506</b>	<b>617 886</b>
Profit for the year	-	818 197	818 197
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>818 197</b>	<b>818 197</b>
<b>Balance at 01 April 2013</b>	<b>37 380</b>	<b>1 398 703</b>	<b>1 436 083</b>
Profit for the year	-	1 815 360	1 815 360
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1 815 360</b>	<b>1 815 360</b>
<b>Balance at 31 March 2014</b>	<b>37 380</b>	<b>3 214 063</b>	<b>3 251 443</b>

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	1 060 703	438 870
Interest income		209 011	136 984
Finance costs		(155)	-
<b>Net cash from operating activities</b>		<b>1 269 559</b>	<b>575 854</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(127 851)	-
Sale of property, plant and equipment	2	38 939	-
<b>Net cash from investing activities</b>		<b>(88 912)</b>	<b>-</b>
<b>Total cash movement for the year</b>		<b>1 180 647</b>	<b>575 854</b>
Cash at the beginning of the year		2 749 054	2 173 200
<b>Total cash at end of the year</b>	5	<b>3 929 701</b>	<b>2 749 054</b>

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Accounting Policies

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### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The 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
Furniture and fixtures	5 years
Office equipment	5 years
IT equipment	3 years
Computer software	4 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 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

##### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.



# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Accounting Policies

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### 1.3 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of 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 profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Notes to the 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
Furniture and fixtures	177 507	(78 267)	99 240	273 242	(273 236)	6
Office equipment	35 485	(35 474)	11	95 450	(92 159)	3 291
IT equipment	132 889	(119 613)	13 276	276 832	(275 334)	1 498
Computer software	123 920	(122 673)	1 247	123 920	(91 689)	32 231
<b>Total</b>	<b>469 801</b>	<b>(356 027)</b>	<b>113 774</b>	<b>769 444</b>	<b>(732 418)</b>	<b>37 026</b>

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

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	6	112 451	(115)	(13 102)	99 240
Office equipment	3 291	-	-	(3 280)	11
IT equipment	1 498	15 400	(116)	(3 506)	13 276
Computer software	32 231	-	-	(30 984)	1 247
	<b>37 026</b>	<b>127 851</b>	<b>(231)</b>	<b>(50 872)</b>	<b>113 774</b>

### 3. Investments in subsidiaries

Name of subsidiary	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
50 Class "A13" Shares in Guardrisk Insurance Company	10,00 %	10,00 %	37 380	37 380

### 4. Trade and other receivables

Trade receivables	131 863	43 769
Prepayments	92 447	-
Deposits	3 000	-
VAT	59 337	3 417
	<b>286 647</b>	<b>47 186</b>

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 550	1 550
Bank balances	3 582 842	2 596 707
Short-term deposits	345 309	150 797
	<b>3 929 701</b>	<b>2 749 054</b>

### 6. Trade and other payables

Amounts received in advance	806 520	1 168 338
Accrued expenses	255 370	266 225
Sundry creditors	54 169	-
	<b>1 116 059</b>	<b>1 434 563</b>

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>7. Revenue</b>		
Subscription from members	4 927 065	3 756 625
Entrance fee received	123 663	96 807
Congress Income	536 481	383 490
Workshops	-	175 484
Contributions in Specie	327 496	309 532
Special Projects	394 442	-
	<b>6 309 147</b>	<b>4 721 938</b>
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	209 011	136 984
<b>9. Taxation</b>		
The company is exempt from tax because it is an association not for gain.		
<b>10. Auditors' remuneration</b>		
Fees	42 350	39 300
Adjustment for previous year	-	3 000
Tax and secretarial services	3 960	3 000
	<b>46 310</b>	<b>45 300</b>
<b>11. Cash generated from operations</b>		
Profit before taxation	1 815 360	818 197
<b>Adjustments for:</b>		
Depreciation and amortisation	50 872	54 024
Profit on sale of assets	(38 708)	-
Interest received - investment	(209 011)	(136 984)
Finance costs	155	-
<b>Changes in working capital:</b>		
Trade and other receivables	(239 461)	3 490
Trade and other payables	(318 504)	(299 857)
	<b>1 060 703</b>	<b>438 870</b>

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
<b>Revenue</b>			
Subscriptions from members		4 927 065	3 756 625
Entrance fee received		123 663	96 807
Special Projects		394 442	-
Congress Income		536 481	383 490
Workshops		-	175 484
Contributions in Specie		327 496	309 532
	7	<u>6 309 147</u>	<u>4 721 938</u>
<b>Other income</b>			
Interest received	8	209 011	136 984
Gains on disposal of assets		38 708	-
		<u>247 719</u>	<u>136 984</u>
<b>Expenses (Refer to page 12)</b>		<b>(4 741 351)</b>	<b>(4 040 725)</b>
<b>Operating profit</b>		<b>1 815 515</b>	<b>818 197</b>
Finance costs		(155)	-
<b>Profit for the year</b>		<b>1 815 360</b>	<b>818 197</b>

# Association of Southern African Travel Agents

Financial Statements for the year ended 31 March 2014

## Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
<b>Operating expenses</b>			
Accounting fees		106 698	106 698
Asata AGM & EGM		37 227	-
Auditors remuneration	10	46 310	45 300
Bank charges		14 230	11 425
Board meeting expenses		52 883	5 400
Computer expenses		36 427	8 561
Consumables		20 445	24 168
Depreciation, amortisation and impairments		50 872	54 024
Donations		500	-
Employee costs		2 431 362	2 328 565
Entertainment		1 287	2 181
Gifts and flowers		963	4 257
Insurance		31 943	32 242
International conference expenses		93 749	103 368
Lease rentals on operating lease		306 646	443 038
Legal expenses		3 444	24 778
Office maintenance		736	4 784
Petrol and oil		18 902	3 892
Photo expenses		1 700	1 110
Postage		3 440	57
Printing and stationery		40 039	15 237
Rates & taxes		9 358	24 573
Regional meeting costs		165 655	88 702
Relocation costs		209 240	-
Repairs and maintenance		120 771	111 820
Security		913	5 258
Seminars		9 000	-
Special projects		419 793	90 165
Subscriptions		28 453	91 350
Telephone and fax		41 519	51 210
Training		250	1 341
Travel - local		51 641	93 750
Travel - overseas		330 500	169 228
Utilities		33 867	67 578
Web page, internet & email		20 588	26 665
		<b>4 741 351</b>	<b>4 040 725</b>