

**ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

**Brian Kalil & Associates
Chartered Accountant (S.A.)
Registered Auditor**

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
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The reports and statements set out below comprise the annual financial statements presented to the Members:

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

Detailed Income Statement	14
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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Constitution of the Association.

Preparer

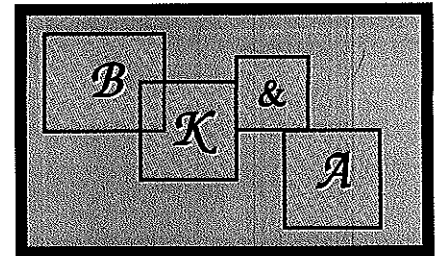
M. C. Grove
Chartered Accountant (S.A.)

Published

04 August 2015

Brian Kalil & Associates

REGISTERED AUDITOR



INDEPENDENT AUDITOR'S REPORT

To the Members of Association of Southern African Travel Agents

I have audited the annual financial statements of Association of Southern African Travel Agents, as set out on pages 5 to 13, which comprise the statement of financial position as at 31 March 2015, 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 of Executives' Responsibility for the Annual Financial Statements

The Association's Executives 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 requirements of the Constitution of the Association, and for such internal control as the Board determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these annual financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the annual 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of Association of Southern African Travel Agents as at 31 March 2015, 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, and the requirements of the Constitution of the Association.

Other matter

Without qualifying my opinion, I draw attention to the fact that supplementary information set out on page 14 does not form part of the annual financial statements and is presented as additional information. I have not audited this information and accordingly do not express an opinion thereon.

Brian Kalil & Associates
Per: B.W. Kalil
Registered Auditor
4 August 2015

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ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Board of Executives' Report

The Board of Executives have pleasure in submitting their report on the annual financial statements of Association of Southern African Travel Agents for the year ended 31 March 2015.

1. Nature of business

Association of Southern African Travel Agents ("ASATA") is registered in South Africa. ASATA is a Voluntary Association governed by a Constitution which has been written by the Members. It is a product of the common law but not regulated by the State, with interests in the Services industry. The Association operates in Southern Africa with offices in the Republic of South Africa.

ASATA's aim is to champion Members as the consumer's channel of choice for the delivery of travel products and services and to support Members in meeting consumers' needs of value and security through developing and maintaining the highest level of expertise and professionalism within the Travel Industry.

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 Constitution of the Association. 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 Association are set out in these annual financial statements.

3. Board of Executives

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

Board	Office
V Lessing	President
J Mukoki	Vice-President
O de Vries	Chief Executive Officer
J Sedgwick	Treasurer
C Vankeirsbilck	Member - Retail Section
B Philipps	Member - Retail Section
J Strydom	Member - Wholesale Section
L Smith	Member - Partner Section

4. Events after the reporting period

The Board is not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Auditors

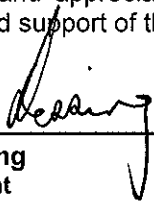
Brian Kalil & Associates continued in office as auditors of the company for 2015.

At the AGM, the Members will be requested to reappoint Brian Kalil & Associates as the independent external auditors of the Association and to confirm Mr B.W. Kalil as the designated lead auditor for the 2016 financial year.

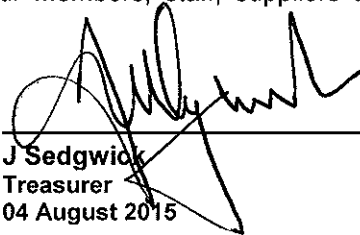
ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Board of Executives' Report

6. Acknowledgements

Thanks and appreciation are extended to all of our Members, staff, suppliers and other stakeholders for their continued support of the Association.



V Lessing
President
04 August 2015



J Sedgwick
Treasurer
04 August 2015

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Statement of Financial Position as at 31 March 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	92 207	113 774
Other financial assets	3	-	37 380
		<u>92 207</u>	<u>151 154</u>
Current Assets			
Trade and other receivables	4	252 860	286 647
Cash and cash equivalents	5	5 756 192	3 929 701
		<u>6 009 052</u>	<u>4 216 348</u>
Total Assets		<u>6 101 259</u>	<u>4 367 502</u>
Equity and Liabilities			
Equity			
Retained surplus		<u>4 202 891</u>	<u>3 251 442</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	<u>1 898 368</u>	<u>1 116 060</u>
Total Equity and Liabilities		<u>6 101 259</u>	<u>4 367 502</u>

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue	7	5 368 170	6 309 147
Other income	8	4 734	38 708
Operating expenses		(4 754 052)	(4 741 352)
Operating surplus	9	618 852	1 606 503
Investment revenue	11	332 597	209 011
Finance costs		-	(155)
Surplus for the year		951 449	1 815 359

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 April 2013	1 436 083	1 436 083
Surplus for the year	1 815 359	1 815 359
Balance at 01 April 2014	3 251 442	3 251 442
Surplus for the year	951 449	951 449
Balance at 31 March 2015	4 202 891	4 202 891

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	14	<u>1 459 499</u>	<u>1 060 703</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7 719)	(127 851)
Proceeds on disposal of asset	2	42 114	38 939
Interest income		<u>332 597</u>	<u>209 011</u>
Net cash from investing activities		<u>366 992</u>	<u>120 099</u>
Cash flows from financing activities			
Finance costs		<u>-</u>	<u>(155)</u>
Total cash movement for the year		1 826 491	1 180 647
Cash at the beginning of the year		<u>3 929 701</u>	<u>2 749 054</u>
Total cash at end of the year	5	<u>5 756 192</u>	<u>3 929 701</u>

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee, and the Constitution of the Association. The annual 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:

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

Item	Depreciation method	Average useful life (years)
Furniture and fixtures	Straight line	5
Office equipment	Straight line	5
IT equipment	Straight line	3
Computer software	Straight line	4

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 unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation.

Any contingent rents are expensed in the period they are incurred.

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Accounting Policies

1.3 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those wholly due within 12 months after the end of the period in which the employees rendered the related service, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.4 Revenue

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 value added taxation.

Interest income is recognised, in profit or loss, using the effective interest rate method.

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Notes to the Annual Financial Statements

Figures in Rand

2015

2014

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	185 226	(101 421)	83 805	177 507	(78 267)	99 240
Office equipment	35 485	(35 474)	11	35 485	(35 474)	11
IT equipment	132 889	(124 737)	8 152	132 889	(119 613)	13 276
Computer software	123 920	(123 681)	239	123 920	(122 673)	1 247
Total	477 520	(385 313)	92 207	469 801	(356 027)	113 774

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	99 240	7 719	(23 154)	83 805
Office equipment	11	-	-	11
IT equipment	13 276	-	(5 124)	8 152
Computer software	1 247	-	(1 008)	239
	113 774	7 719	(29 286)	92 207

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
	37 026	127 851	(231)	(50 872)	113 774

3. Other financial assets

Equity Instruments at cost

50 Class "A13" shares in Guardrisk Insurance Company (10% holding)	-	37 380
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Non-current assets

Equity instruments at cost	-	37 380
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4. Trade and other receivables

Trade receivables	216 461	131 863
Prepayments	12 271	92 447
Deposits	3 000	3 000
VAT	21 128	59 337
	252 860	286 647

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Notes to the Annual Financial Statements

Figures in Rand	2015	2014
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Short-term deposits	5 240 480	3 623 131
Bank balances	514 162	305 020
Cash on hand	1 550	1 550
	5 756 192	3 929 701
6. Trade and other payables		
Amounts received in advance	1 656 167	783 609
Sundry creditors	5 331	1
Accrued leave pay	79 620	44 226
Accrued audit fees	41 272	32 854
Other accrued expenses	115 978	255 370
	1 898 368	1 116 060
7. Revenue		
Subscription from members	5 005 685	4 927 065
Entrance fee received	135 414	123 663
Congress income	227 071	536 481
Contributions in specie	-	327 496
Special projects	-	394 442
	5 368 170	6 309 147
8. Other income		
Profit and loss on sale of assets	4 734	38 708
9. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	280 114	285 153
Gain on disposal of asset	4 734	38 708
Depreciation on property, plant and equipment	29 286	50 872
Employee costs	2 602 860	2 431 362
Special projects	787 618	468 835
10. Special projects		
Comprises:		
Web page, internet, email	36 588	20 589
Website revamp & collateral	93 887	-
21 Century travel agents	21 120	-
Consumer campaign	487 958	28 453
Other	148 065	419 793
	787 618	468 835

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Notes to the Annual Financial Statements

Figures in Rand	2015	2014
11. Investment revenue		
Interest revenue		
Bank	332 597	209 011
12. Taxation		
The Association is exempt from tax under Section 10(1)(d)(iv)(bb) of the Income Tax Act because it is an Association Not for Gain.		
13. Auditor's remuneration		
Fees	58 008	42 350
Tax and secretarial services	-	3 960
	58 008	46 310
14. Cash generated from operations		
Profit before taxation	951 449	1 815 359
Adjustments for:		
Depreciation and amortisation	29 286	50 872
Profit on sale of assets	(4 734)	(38 708)
Interest received	(332 597)	(209 011)
Finance costs	-	155
Changes in working capital:		
Trade and other receivables	33 787	(239 461)
Trade and other payables	782 308	(318 503)
	1 459 499	1 060 703
15. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	216 540	198 661
- in second to fifth year inclusive	558 974	775 514
	775 514	974 175

Operating lease payments represent rentals payable by the Association for its office properties. The lease is negotiated for five years expiring on 30 June 2018. There is no option for renewal in terms of the lease. Extension will be negotiated at the time, if required. No contingent rent is payable.

16. Comparative figures

Certain comparative figures have been reclassified. Certain expense items have been disclosed in different categories this year.

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2015
Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Rendering of services	7	5 368 170	6 309 147
Other income			
Interest received	11	332 597	209 011
Gains on disposal of assets		4 734	38 708
		337 331	247 719
Operating expenses			
Accounting fees		115 233	106 698
Advertising		72 925	-
Asata AGM & EGM		24 282	37 227
Auditors remuneration	13	58 008	46 310
Bad debts		4 106	-
Bank charges		14 352	14 230
Board meeting expenses		55 223	52 883
Computer expenses		12 936	36 427
Consumables		18 918	20 445
Depreciation, amortisation and impairments		29 286	50 872
Donations		-	500
Employee costs		2 602 860	2 431 362
Entertainment		8 604	1 287
Fines and penalties		4 280	-
Gifts		4 485	963
Hire of equipment		65 965	64 718
Insurance		33 866	31 943
Lease rentals on operating lease		280 114	285 153
Legal expenses		4 835	3 444
Photo expenses		-	1 700
Postage		353	3 440
Printing and stationery		18 852	40 039
Regional meeting costs		102 820	165 655
Relocation costs		-	209 240
Repairs and maintenance		144 136	121 507
Security		3 272	913
Seminars		2 480	18 902
Special projects		787 618	468 835
Subscriptions		57 795	35 415
Telephone and fax		36 712	41 519
Training		13 133	-
Travel - local		21 872	25 226
Travel - overseas		154 731	424 499
		4 754 052	4 741 352
Operating profit	9	951 449	1 815 514
Finance costs		-	(155)
Surplus for the year		951 449	1 815 359