

**Association of South African Travel Agents
Annual Financial Statements
for the year ended 31 March 2011**

**Gruzd Zets & Co
Registered Auditors
Issued 26 July 2011**

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Index

The reports and statements set out below comprise the annual financial statements presented to the Members:

Index	Page
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Accounting Policies	7 - 8
Notes to the Annual Financial Statements	9 - 10

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

Statement of Financial Performance	11 - 12
------------------------------------	---------

The annual financial statements set out on pages 3 to 12, which have been prepared on the going concern basis, were approved by the Board of Executives on 26 July 2011 and were signed on its behalf by:



President



Treasurer



Gruzd Zets & Co

Registered Auditors
Chartered Accountants (S.A.)

2nd Floor, 3 Sturdee Ave
Rosebank, 2198
Tel: +27 11 442 3010
Fax: +27 11 442 3098

P.O.Box 2019
Parklands 2121
South Africa

Email:
info@gz.co.za

Practice No: 923877 E

Independent Auditors' Report

To the members of Association of South African Travel Agents

We have audited the accompanying annual financial statements of Association of South African Travel Agents, which comprise the statement of financial position as at 31 March 2011, 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 company's Executives are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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 annual 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 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 auditors' 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executives, as well as evaluating the overall presentation of the annual 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 annual financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, 1973.

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 annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.


Gruzd Zets & Co
Registered Auditors

26 July 2011

Johannesburg

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	139,343	13,951
Investments in subsidiaries	3	37,380	37,380
		<u>176,723</u>	<u>51,331</u>
Current Assets			
Trade and other receivables	4	137,260	318,729
Cash and cash equivalents	5	3,533,132	2,489,531
		<u>3,670,392</u>	<u>2,808,260</u>
Total Assets		<u>3,847,115</u>	<u>2,859,591</u>
Equity and Liabilities			
Equity			
Reserves		37,380	37,380
Retained income		550,506	546,132
		<u>587,886</u>	<u>583,512</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	3,259,229	2,276,079
Total Equity and Liabilities		<u>3,847,115</u>	<u>2,859,591</u>

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue	7	3,895,376	3,539,557
Operating expenses		(3,984,837)	(3,483,698)
Operating (loss) profit		(89,461)	55,859
Investment revenue	8	93,835	110,476
Profit for the year		4,374	166,335
Other comprehensive income		-	-
Total comprehensive income for the year		4,374	166,335

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Statement of Changes in Equity

Figures in Rand	Revaluation Reserve	Retained income	Total equity
Balance at 01 April 2009	37,380	379,797	417,177
Changes in equity			
Total comprehensive income for the year	-	166,335	166,335
Total changes	-	166,335	166,335
Balance at 01 April 2010	37,380	546,132	583,512
Changes in equity			
Total comprehensive income for the year	-	4,374	4,374
Total changes	-	4,374	4,374
Balance at 31 March 2011	37,380	550,506	587,886

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Statement of Cash Flows

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash generated from operations	11	1,132,266	731,207
Interest income		93,835	110,476
Net cash from operating activities		1,226,101	841,683
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(182,500)	(13,378)
Sale of property, plant and equipment	2	-	(7)
Net cash from investing activities		(182,500)	(13,385)
Total cash movement for the year		1,043,601	828,298
Cash at the beginning of the year		2,489,531	1,661,233
Total cash at end of the year	5	3,533,132	2,489,531

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards, and the Companies Act of South Africa, 1973. 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.

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a 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. 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. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Accounting Policies

1.3 Revenue

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;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- 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 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 South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Notes to the Annual Financial Statements

Figures in Rand

2011

2010

2. Property, plant and equipment

	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	273,242	(273,236)	6	273,242	(267,704)	5,538
Office equipment	90,890	(90,596)	294	90,890	(89,648)	1,242
IT equipment	276,832	(227,819)	49,013	214,332	(207,161)	7,171
Computer software	120,000	(29,970)	90,030	-	-	-
Total	760,964	(621,621)	139,343	578,464	(564,513)	13,951

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	5,538	-	(5,532)	6
Office equipment	1,242	-	(948)	294
IT equipment	7,171	62,500	(20,658)	49,013
Computer software	-	120,000	(29,970)	90,030
	13,951	182,500	(57,108)	139,343

3. Investments in subsidiaries

Name of subsidiary	% holding 2011	% holding 2010	Carrying amount 2011	Carrying amount 2010
50 Class "A13" Shares in Guardrisk Insurance Company	10.00 %	10.00 %	37,380	37,380

4. Trade and other receivables

Trade receivables	125,380	318,340
Prepayments	2,751	389
VAT	9,129	-
	137,260	318,729

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,000	2,000
Bank balances	452,753	416,441
Short-term deposits	3,078,379	2,071,090
	3,533,132	2,489,531

6. Trade and other payables

Amounts received in advance	2,773,089	585,930
VAT	-	14,169
Other payables	486,140	1,675,980
	3,259,229	2,276,079

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
7. Revenue		
Subscription from members	2,813,509	2,450,272
Entrance fee received	148,590	174,937
Congress Income	-	380,921
Workshops	463,238	533,427
Contributions in Specie	470,039	-
	3,895,376	3,539,557
8. Investment revenue		
Interest revenue		
Bank	93,835	110,476
9. Taxation		
The Company is exempt from tax because it is an association not for gain.		
10. Auditors' remuneration		
Fees	35,001	30,250
Tax and secretarial services	4,830	3,880
	39,831	34,130
11. Cash generated from operations		
Profit before taxation	4,374	166,335
Adjustments for:		
Depreciation and amortisation	57,108	19,273
Loss on sale of assets	-	593
Interest received	(93,835)	(110,476)
Changes in working capital:		
Trade and other receivables	181,469	8,464
Trade and other payables	983,150	647,018
	1,132,266	731,207

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue			
Subscriptions from members		2,813,509	2,450,272
Entrance fee received		148,590	174,937
Congress Income		-	380,921
Workshops		463,238	533,427
Contributions in Specie		470,039	-
	7	<u>3,895,376</u>	<u>3,539,557</u>
Other income			
Interest received	8	<u>93,835</u>	<u>110,476</u>
Expenses (Refer to page 12)		<u>(3,984,837)</u>	<u>(3,483,698)</u>
Profit for the year		<u>4,374</u>	<u>166,335</u>

Association of South African Travel Agents

Annual Financial Statements for the year ended 31 March 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Operating expenses			
Accounting fees		94,090	87,120
Advertising		-	9,460
Auditors' remuneration	10	39,831	34,130
Bank charges		8,553	10,553
Board Meeting Expenses		-	6,954
Committee Expenses		7,000	7,071
Computer expenses		59,841	22,067
Consumables		28,887	16,305
Deposit written off		-	40,569
Depreciation, amortisation and impairments		57,108	19,273
Employee costs		2,220,169	2,217,002
Entertainment		799	2,204
Gifts and Flowers		4,524	3,306
Insurance		32,207	26,824
International conference expenses		1,489	36,591
Lease rentals on operating lease		394,373	395,202
Legal expenses		35,100	574
Loss on disposal of assets		-	593
Office Maintenance		12,798	9,298
Petrol and oil		12,976	1,948
Photo Expenses		-	915
Postage		-	60
Printing and stationery		24,391	13,705
Provision for Bad debts written back		-	(52,167)
Rates & Taxes		22,728	16,098
Regional Meeting Costs		169,201	45,823
Repairs and maintenance		94,663	13,044
Security		4,126	3,975
Special Projects		181,177	201,507
Staff Uniform		-	2,587
Subscriptions		43,510	78,980
Telephone and fax		68,895	37,957
Training		989	2,252
Travel - local		222,278	99,561
Travel - overseas		80,599	25,174
Utilities		43,848	-
Web page, Internet & Email		18,687	47,183
		3,984,837	3,483,698