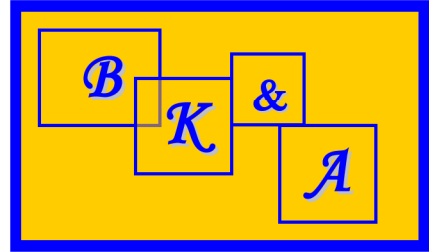


Brian Kalil & Associates
REGISTERED AUDITOR



**ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020**

Brian Kalil & Associates
Chartered Accountant (SA)
Registered Auditor

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
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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:	
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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. Cordier
Professional Accountant (S.A.)

Published

15 July 2020

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Board of Executives' Responsibilities and Approval

The Board of Executives are required by the Constitution of the Association, 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 fairly present the state of affairs of the Association 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 annual financial statements.

The annual 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 Board of Executives acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Board of Executives to meet these responsibilities, the Board of Executives 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 Association and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the Association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

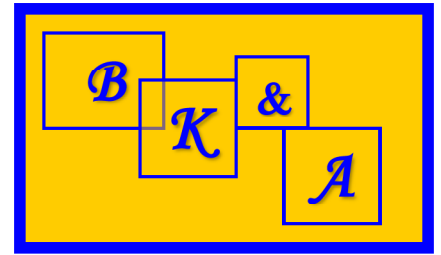
The Board of Executives have reviewed the Association's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, they are satisfied that the Association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Association's annual financial statements. The annual financial statements have been examined by the Association's external auditor and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 15 July 2020 and were signed on its behalf by:

D Naidoo
President

S van der Merwe
Treasurer



Independent Auditor's Report

To the Members of Association of Southern African Travel Agents

Opinion

I have audited the Financial Statements of Association of Southern African Travel Agents ("ASATA") set out on pages 6 to 14, which comprise the Statement of Financial Position as at 31 March 2020, 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 Financial Statements, including a summary of significant accounting policies.

In my opinion, the Financial Statements present fairly, in all material respects, the financial position of Association of Southern African Travel Agents as at 31 March 2020, 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.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Board of Executives are responsible for the other information. The other information comprises the Board of Executives' Report, which we obtained prior to the date of this report. Other information does not include the Financial Statements and my auditor's report thereon.

My opinion on the Financial Statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board of Executives for the Financial Statements

The Board of Executives 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 the requirements of the Constitution of the Association, and for such internal control as the Board determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Brian Kalil & Associates

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In preparing the Financial Statements, the Board of Executives is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

My 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 my 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 Financial Statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- ☐ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- ☐ Conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board of Executives regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Brian Kalil & Associates
B.W. Kalil
Partner
Chartered Accountant (S.A.)
Registered Auditor

15 July 2020
Johannesburg

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS

Annual Financial Statements for the year ended 31 March 2020

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 2020.

1. Nature of business

Association of Southern African Travel Agents ("ASATA") is an Association of Persons established to promote the common interest of persons, carrying on any particular kind of business, profession or occupation governed by a Constitution. 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	
D Naidoo	President	
S Morolo	Vice President	Appointed November 2019
O de Vries	Chief Executive Officer	
S van der Merwe	Treasurer	Appointed November 2019
O Desai	Member - Retail Section	Appointed November 2019
S Egan	Member - Retail Section	
T Hunt	Member - Retail Section	
M Lukic	Member - Retail Section	
M Moola	Member - Retail Section	Appointed November 2019
G Mulder	Member - Retail Section	
F Palapies	Member - Retail Section	
S Parbhu	Member - Retail Section	
L Smith	Member - Partner Section	
J Turnbull	Member - Wholesale Section	
S Fourie	Vice President	Resigned November 2019
V Lessing	Member - Retail Section	Resigned November 2019
C Mitchley	Treasurer	Resigned November 2019
A Stark	Member - Retail Section	Resigned November 2019

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 for the company for 2020.

At the AGM, the Members will be requested to re-appoint Brian Kalil & Associates as the independent external auditors of the Association and to confirm Mr B.W. Kalil as the designated lead audit partner for the 2021 financial year.

6. Acknowledgements

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

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	53,499	75,045
Current Assets			
Trade and other receivables	3	198,980	276,694
Cash and cash equivalents	4	5,438,354	5,962,066
		5,637,334	6,238,760
Total Assets		5,690,833	6,313,805
Equity and Liabilities			
Equity			
Retained surplus		4,608,616	5,177,522
Liabilities			
Current Liabilities			
Trade and other payables	5	820,374	1,031,283
Deferred income	6	-	105,000
Bank overdraft	4	261,843	-
		1,082,217	1,136,283
Total Equity and Liabilities		5,690,833	6,313,805

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue	7	5,121,033	5,435,836
Cost of sales		(284,801)	(639,428)
Gross surplus		4,836,232	4,796,408
Operating expenses		(5,872,894)	(4,886,477)
Operating deficit	8	(1,036,662)	(90,069)
Investment revenue	10	467,756	452,767
(Deficit) surplus for the year		(568,906)	362,698

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 April 2018	4,814,824	4,814,824
Surplus for the year	362,698	362,698
Balance at 01 April 2019	5,177,522	5,177,522
Deficit for the year	(568,906)	(568,906)
Balance at 31 March 2020	4,608,616	4,608,616

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash used in operations	13	(1,234,119)	(317,616)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5,127)	(11,276)
Interest income		467,756	452,767
Net cash from investing activities		462,629	441,491
Cash flows from financing activities			
Repayment of other financial liabilities		(14,065)	-
Net cash from financing activities		(14,065)	-
Total cash movement for the year		(785,555)	123,875
Cash at the beginning of the year		5,962,066	5,838,191
Total cash at end of the year	4	5,176,511	5,962,066

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
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 Practices 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

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 2020
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 2020
Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	229,075	(189,688)	39,387	229,075	(175,660)	53,415
Office equipment	51,587	(40,749)	10,838	46,460	(38,076)	8,384
IT equipment	110,737	(107,463)	3,274	110,737	(97,491)	13,246
Total	391,399	(337,900)	53,499	386,272	(311,227)	75,045

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	53,415	-	-	(14,028)	39,387
Office equipment	8,384	5,127	-	(2,673)	10,838
IT equipment	13,246	-	-	(9,972)	3,274
	75,045	5,127	-	(26,673)	53,499

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	76,782	-	-	(23,367)	53,415
Office equipment	5,606	4,174	-	(1,396)	8,384
IT equipment	18,609	7,101	(9,270)	(3,194)	13,246
Computer software	2	-	(2)	-	-
	100,999	11,275	(9,272)	(27,957)	75,045

3. Trade and other receivables

Trade receivables	23,000	21,515
Prepayments	-	5,500
Deposits	3,000	3,000
VAT	107,707	94,259
Other receivables	65,273	152,420
	198,980	276,694

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,550	1,550
Bank balances	-	353,190
Short-term deposits	5,436,804	5,607,326
Bank overdraft	(261,843)	-
	5,176,511	5,962,066
Current assets	5,438,354	5,962,066
Current liabilities	(261,843)	-
	5,176,511	5,962,066

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Notes to the Annual Financial Statements

Figures in Rand	2020	2019
4. Cash and cash equivalents (continued)		
Cash and cash equivalents held by the entity that have been offered as guarantee in lieu of rental deposit required by Fieldspace Property Group (in respect of the rental of Hurlingham Office Park) amount to R135,828 (2019: R135,828).		
5. Trade and other payables		
Amounts received in advance	305,436	575,457
Sundry creditors	19,795	43,057
Accrued leave pay	259,514	182,803
Accrued audit fees	73,569	69,143
Other accrued expenses	162,060	160,823
	820,374	1,031,283
6. Deferred income		
The deferred income represents income received in advance in respect of expenditure to be incurred after year end.		
7. Revenue		
Subscription from members	4,687,253	4,632,744
Entrance fee received	56,289	77,134
ASATA Conference income	197,870	615,357
ASATA Professional Program	60,146	30,622
Miscellaneous other revenue	119,475	79,979
	5,121,033	5,435,836
8. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	413,740	323,836
(Loss) / gain on disposal of asset	-	(9,273)
Depreciation on property, plant and equipment	26,673	27,957
Employee costs	2,987,660	2,695,309
Special projects	958,940	654,461
9. Special projects		
Comprises:		
Website revamp & collateral	126,306	126,298
21 Century travel agents	60,000	-
Big Ambitions	151,699	349,550
Consulting fees Regulation study	200,000	-
ASATA Strategy implementation	200,000	45,000
Legal fees Special projects	220,935	133,613
	958,940	654,461

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Notes to the Annual Financial Statements

Figures in Rand	2020	2019
10. Investment revenue		
Interest revenue		
Bank	467,756	452,767
11. Auditor's remuneration		
Fees	53,000	60,000
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. Cash used in operations		
(Deficit) / surplus before taxation	(568,906)	362,698
Adjustments for:		
Depreciation and amortisation	26,673	27,957
Loss / (gain) on sale of assets	-	9,273
Loss on foreign exchange	14,065	-
Interest received	(467,756)	(452,767)
Changes in working capital:		
Trade and other receivables	77,706	148,203
Trade and other payables	(210,901)	(115,527)
Deferred income	(105,000)	(297,453)
	(1,234,119)	(317,616)

ASSOCIATION OF SOUTHERN AFRICAN TRAVEL AGENTS
Annual Financial Statements for the year ended 31 March 2020
Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Rendering of services		5,121,033	5,435,836
Cost of sales			
Directly related expenditure		(284,801)	(639,428)
Gross profit		4,836,232	4,796,408
Operating expenses			
ASATA AGM & EGM		-	13,214
Accounting fees		154,864	148,910
Advertising		6,202	12,642
Auditors remuneration	11	53,000	60,000
Bad debts		331	-
Bank charges		23,078	23,836
Board meeting expenses		62,031	88,720
Cleaning		12,500	22,750
Communication expenses		247,536	-
Computer expenses		203,824	209,318
Consulting and professional fees		-	70,000
Consumables		12,027	18,236
Depreciation, amortisation and impairments		26,673	27,957
Employee costs		2,987,660	2,695,309
Entertainment		530	2,771
Gifts		6,233	634
Hire of equipment		54,927	82,326
Insurance		38,242	31,209
Legal expenses		222,433	82,504
Loss on sale of assets and liabilities		-	9,273
Partner meetings costs		208	-
Postage		2,165	1,289
Printing and stationery		9,111	10,984
Profit and loss on exchange differences		14,065	-
Regional meeting costs		93,046	45,123
Rent and utilities paid		413,740	323,836
Repairs and maintenance		6,896	26,213
Security		7,486	6,774
Seminars		-	3,786
Special projects		958,940	654,461
Subscriptions		76,479	115,956
Telephone and fax		36,166	46,075
Travel - local		99,790	50,814
Travel - overseas		42,711	1,557
		5,872,894	4,886,477
Operating loss	8	(1,036,662)	(90,069)
Investment income		467,756	452,767
(Deficit) Surplus for the year		(568,906)	362,698