South African Hajj and Umrah Council
[Also known as SAHUC]

Annual Financial Statements
for the year ended 31 March 2019

A2A Kopano Inc.
Chartered Accountants (S.A.)
Registered Auditors
Published 27 August 2019

General Information

Country of incorporation and domicile	South Africa
Type of Organisation	The organisation is a volunteer based Public Benefit Organistion which is engaged in facilitating the travel of Hujaaj to the Kingdom of Saudi Arabia. The organisation is required to ensure compliance of muslim pilgrims going for Hajj in terms of agreements entered into with the Saudi Arabian Ministry of Hajj as well as compliance with the laws governing these agreements
Board Members	Muhammad Vaid (President) Shaheen Ayub Essop (First Deputy President) Ismail Kholvadia (Second Deputy President) Moaaz Casoo (Secretary General) Hassan Faried Choonara (Assistant Secretary General) Asif Essop (Treasurer) Mohammed Maiter (Assistant Treasurer) Sedick Steenkamp Moosa Seedat Mohammed Hassan Ameer Riad Fataar (Regional Chairperson - Western Cape) Adam Masheso (Regional Chairperson - KZN) Hassan Faried Choonara (Regional Chairperson - Gauteng)
Registered Offices	Cape Town Office Wembley Centre 21 Belgravia Road Athlone Cape Town Tel: 021 696 4433 Fax: 021 697 5317 Email: sahucsg@sahuc.org.za Johannesburg Office Second Floor, South Section Saley House Fordsburg Johannesburg Tel: 011 838 9786 Fax: 086 273 0328 Email: sahucsg@sahuc.org.za Durban Office The NMJ Islamic Centre 37/41 Mountain View Road Roseglen Durban Tel: 031 207 3975 Fax: 086 535 9641 Email: sahucsg@sahuc.org.za

General Information

Postal address	PO Box 787616 Sandton 2146
Bankers	Habib Overseas Bank Limited (closed during the year) First National Bank Limited Alawal Bank Saudi Arabia (previously known as SHB Saudi Arabia) Albaraka Bank Limited
Auditors	A2A Kopano Inc. Chartered Accountants (S.A.) Registered Auditors
Tax reference number	9078046241
PBO number	930060856
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the International Auditing Standards.
Preparer	The annual financial statements were internally compiled by: Asif Essop
Published	27 August 2019
Website	www.sahuc.org.za
Email address	sahucsg@sahuc.org.za

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The reports and statements set out below comprise the annual financial statements presented to the Board of SAHUC:

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

KOPANO
INCORPORATED
CHARTERED ACCOUNTANTS (S.A.)
& REGISTERED AUDITORS

021 551 1930
086 762 4316
Info.wc@a2akopano.co.za
236 Rosmead Avenue
Wynberg
7800
P.O. Box 532,
Century City, 7446

Independent Auditor's Report

To the Board of SAHUC

Opinion

We have audited the annual financial statements of SAHUC set out on pages 9 to 19, which comprise the statement of financial position as at 31 March 2019, 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 annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of SAHUC as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the organisation 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 annual financial statements in South Africa. We have fulfilled our 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of SAHUC is responsible for the other information. The other information comprises the Detailed Income Statement which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the board members for the Annual Financial Statements

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

In preparing the annual financial statements, the Board of SAHUC is responsible for assessing the organisation'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 of SAHUC either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the annual 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 our 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' 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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A2A Kopano Inc.

A2A Kopano Inc.
Moegamat Igshaan Stenekamp
Director
Registered Auditor

27 August 2019

236 Rosmead Avenue
Wynberg
Cape Town
7800

Board of SAHUC's Responsibilities and Approval

The Board of SAHUC is required to maintain adequate accounting records and is 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 organisation 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 auditors are 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 SAHUC acknowledges that it is ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the Board of SAHUC to meet these responsibilities, the Board 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation 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 SAHUC is 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 SAHUC is satisfied that the organisation has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 9 to 20, which have been prepared on the going concern basis, were approved by the Board on 26 August 2019 and were signed on its behalf by:

Signed on behalf of the Board By:

Muhammad Vaid (President)

Asif Essop (Treasurer)

Moaaz Casoo (Secretary General)

Durban

Board of SAHUC's Report

The Board of SAHUC has pleasure in submitting its report on the annual financial statements of SAHUC for the year ended 31 March 2019.

1. Nature of business

SAHUC is a volunteer based Public Benefit Organisation which is engaged in facilitating the travel of Hujaaj to the Kingdom of Saudi Arabia. The organisation is required to ensure compliance of South African muslim pilgrims going for Hajj in terms of agreements entered into with the Saudi Arabian Ministry of Hajj as well as compliance with the laws governing these agreements.

Other related services include:
- to accredit pilgrims that intend going for Hajj, provide medical and other services during the Hajj period; and
- to supervise the Hajj operators delivering services to South African pilgrims during the period of Hajj.

The organisation operates principally in the Republic of South Africa.

There have been no material changes to the nature of the organisation's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 organisation are set out in these annual financial statements.

3. Board of SAHUC

Muhammad Vaid (President)
Shaheen Ayub Essop (First Deputy President)
Ismail Kholvadia (Second Deputy President)
Moaaz Casoo (Secretary General)
Hassan Faried Choonara (Assistant Secretary General)
Asif Essop (Treasurer)
Mohammed Maiter (Assistant Treasurer)
Sedick Steenkamp
Moosa Seedat
Mohammed Hassan Ameer
Riad Fataar (Regional Chairperson - Western Cape)
Adam Masheso (Regional Chairperson - Kwazulu Natal)
Hassan Faried Choonara (Regional Chairperson - Gauteng)

There have been no changes to the Board for the period under review.

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the organisation or in the policy regarding their use other than as disclosed in the annual financial statements.

At 31 March 2019 the organisation's investment in property, plant and equipment amounted to R348,275 (2018:R456,538), of which R56,332 (2018: R9,976) related to additions in the current year.

5. Events after the reporting period

The Board of SAHUC is not aware of any other material event which occurred after the reporting date and up to the date of this report other than as disclosed in the annual financial statements.

6. Going concern

The Board of SAHUC believes that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board has satisfied themselves that the organisation is in a sound financial position and that it has sufficient facilities to meet its foreseeable cash requirements. The board is not aware of any new material changes that may adversely impact the organisation. The board is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

7. Auditors

A2A Kopano Inc. continued in office as auditors of the organisation for 2019.

Statement of Financial Position as at 31 March 2019

Figures in Rand	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	348,275	456,538
Intangible assets	3	47,039	62,719
		395,314	**519,257**
Current Assets			
Trade and other receivables	4	1,248,854	833,876
Cash and cash equivalents	5	16,537,504	12,596,604
		17,786,358	**13,430,480**
Total Assets		**18,181,672**	**13,949,737**
Equity and Liabilities			
Equity			
Revaluation reserve	6	300,000	450,000
Accumulated surplus		13,469,353	8,485,704
		13,769,353	**8,935,704**
Liabilities			
Current Liabilities			
Trade and other payables	7	2,519	46,109
Deferred income	8	4,409,800	4,967,924
		4,412,319	**5,014,033**
Total Equity and Liabilities		**18,181,672**	**13,949,737**

Statement of Comprehensive Income

Figures in Rand	Notes	2019	2018
Revenue	9	8,102,594	5,970,337
Other income		125,294	82,152
Operating expenses		(3,859,546)	(3,741,704)
Operating surplus	10	**4,368,342**	**2,310,785**
Investment revenue	12	615,943	430,656
Interest and penalties	13	(636)	(373)
Surplus for the year		**4,983,649**	**2,741,068**
Other comprehensive income:			
Items that will not be reclassified to surplus			
Gains on revaluation of property, plant and equipment		-	450,000
Other comprehensive income for the year		**-**	**450,000**
Total comprehensive income for the year		**4,983,649**	**3,191,068**

Statement of Changes in Equity

Figures in Rand	Revaluation reserve	Accumulated surplus	Total equity
Balance at 01 April 2017	**-**	**5,744,636**	**5,744,636**
Surplus for the year	-	2,741,068	2,741,068
Other comprehensive income	450,000	-	450,000
Balance at 01 April 2018	**450,000**	**8,485,704**	**8,935,704**
Surplus for the year	-	4,983,649	4,983,649
Other comprehensive income	-	-	-
Realisation of reserves	(150,000)	-	(150,000)
Balance at 31 March 2019	**300,000**	**13,469,353**	**13,769,353**
Note	6		

Statement of Cash Flows

Figures in Rand	Notes	2019	2018
Cash flows from operating activities			
Cash generated from operations	18	3,381,925	3,249,281
Investment income		615,943	430,656
Interest and penalties		(636)	(373)
Net cash from operating activities		**3,997,232**	**3,679,564**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(56,332)	(9,976)
Purchase of intangible assets	3	-	(78,399)
Net cash from investing activities		**(56,332)**	**(88,375)**
Total cash movement for the year		**3,940,900**	**3,591,189**
Cash at the beginning of the year		12,596,604	9,005,415
Total cash at end of the year	5	**16,537,504**	**12,596,604**

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 annual financial statements have been prepared on the historical cost basis, except for the measurement of the Hajj registry system on the revaluation 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, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment whose fair value can be measured reliably at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated 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 as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Hajj registry system	Straight line	6 years
IT equipment	Straight line	3 years
Office equipment	Straight line	5 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Trademarks	5 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

1.4 Tax

The organisation has been approved as a public benefit organisation in terms of section 30 of the Incomes Tax Act and receipts and accruals are exempt from income tax in terms of sections 10 (1)(cN) of the Incomes Tax Act.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

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 (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.6 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

Accounting Policies

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, 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.

1.8 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.

The organisation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Investment revenue is recognised, in profit or loss, as and when earned.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Foreign exchange

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

2. Property, plant and equipment

	2019			2018		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	50,267	(46,444)	3,823	50,267	(43,730)	6,537
Hajj registry system	1,250,000	(950,000)	300,000	1,250,000	(800,000)	450,000
IT equipment	106,006	(61,555)	44,451	49,674	(49,674)	-
Office equipment	93,970	(93,969)	1	93,970	(93,969)	1
Total	**1,500,243**	**(1,151,968)**	**348,275**	**1,443,911**	**(987,373)**	**456,538**

Reconciliation of property, plant and equipment - 2019

	Opening balance	**Additions**	**Realisation of Reserves**	**Depreciation**	**Total**
Furniture and fixtures	6,537	-	-	(2,714)	3,823
Hajj registry system	450,000	-	(150,000)	-	300,000
IT equipment	-	56,332	-	(11,881)	44,451
Office equipment	1	-	-	-	1
	456,538	**56,332**	**(150,000)**	**(14,595)**	**348,275**

Reconciliation of property, plant and equipment - 2018

	Opening balance	**Additions**	**Revaluation**	**Depreciation**	**Total**
Furniture and fixtures	9,251	-	-	(2,714)	6,537
Hajj registry system	-	-	450,000	-	450,000
IT equipment	116,448	9,976	-	(126,424)	-
Office equipment	1	-	-	-	1
	125,700	**9,976**	**450,000**	**(129,138)**	**456,538**

3. Intangible assets

	2019			2018		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Trademarks	78,399	(31,360)	47,039	78,399	(15,680)	62,719

Reconciliation of intangible assets - 2019

	Opening balance	**Amortisation**	**Total**
Trademarks	62,719	(15,680)	47,039

Reconciliation of intangible assets - 2018

	Opening balance	**Additions**	**Amortisation**	**Total**
Trademarks	-	78,399	(15,680)	62,719

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

4. Trade and other receivables

Prepaid expenditure (Hajj period - July/August 2019)	198,197	163,563
Guarantee fees	1,050,657	670,313
	1,248,854	**833,876**

Guarantee placed with Saudi Arabian Ministry of Hajj during the year

South African Rand	1,050,657	670,313
Saudi Arabian Riyaal	271,488	178,750

Guarantee placed with Saudi Arabian Ministry of Hajj after year end

South African Rand	135,562	348,750
Saudi Arabian Riyaal	35,863	93,000

Exchange rate used for conversion of Saudi Riyaal at year end

South African Rand	3.87	3.75

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	7,920,265	6,337,085
Short-term deposits	8,587,045	5,127,111
Other cash and cash equivalents	30,194	1,132,408
	16,537,504	**12,596,604**

Included in other cash and cash equivalents is funds held in trust by Yousha Tayob Attorneys as follows:

Opening balance	9,300	12,300
Amounts received during the year	(9,000)	(3,000)
Printing and stationary	(300)	-
	-	**9,300**

6. Revaluation reserve

Opening balance	450,000	-
Revaluation of Hajj registry system	-	450,000
Realisation of reserves	(150,000)	-
	300,000	**450,000**

Hajj registry system was revalued to R450,000 during the 2018 financial year under review by an independent valuator, Fingerprints Software Proprietary Limited.

7. Trade and other payables

Accrued expenses	2,519	1,109
Other payables	-	45,000
	2,519	**46,109**

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

8. Deferred income

Hajj fees received in advance	4,409,800	4,967,924
	4,409,800	**4,967,924**

Deferred income represents Hajj fees received in advance for the Hajj period in August 2019.

9. Revenue

Hajj fees - 2018 (Hajj period - August/September 2018)	5,264,688	-
Hajj fees - 2017 (Hajj period - August/September 2017)	-	3,559,343
Registration fees - Hajj Operators	250,000	205,000
Registration fees - Hujjaj	2,587,906	2,205,994
	8,102,594	**5,970,337**

10. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	299,568	259,118
Amortisation	15,680	15,680
Depreciation	14,595	129,137
Employee costs	298,216	295,592
Gain on foreign exchange differences	(65,044)	(54,402)

11. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

Depreciation		
Property, plant and equipment	14,595	129,137
Amortisation		
Intangible assets	15,680	15,680
Total depreciation, amortisation and impairments		
Depreciation	14,595	129,137
Amortisation	15,680	15,680
	30,275	**144,817**

12. Investment revenue

Bank	-	175
Islamic profit share	615,943	430,481
	615,943	**430,656**

13. Interest and penalties

Late payment - SARS	636	373

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

14. Income Tax

No provision has been made for 2019 tax as the organisation has been granted tax exemption in terms of Section 10(1)(cN) of the Income Tax Act.

15. Auditor's remuneration

Fees	80,000	60,750

16. Mission expenses

Accommodation	610,659	615,915
Subsistence	948,386	771,398
Travel	484,794	416,125
Other (mainly medical disbursements)	202,754	393,941
	2,246,593	**2,197,379**

17. Board Members - Hajj mission subsistence

Ismail Kholvadia - subsistence	71,187	67,968
Muhammed Vaid - subsistence	-	15,293
Shaheen Essop - subsistence	25,091	-
	96,278	**83,261**

The above Board Members who were part of Hajj mission 1439 (Hajj period - August/September 2018) (1438: Hajj period - August/September 2017) were paid a subsistence allowance.

18. Cash generated from operations

Surplus before taxation	4,983,649	2,741,068
Adjustments for:		
Depreciation and amortisation	30,275	144,817
Investment revenue	(615,943)	(430,656)
Interest paid	636	373
Changes in working capital:		
Trade and other receivables	(414,978)	(833,876)
Trade and other payables	(43,590)	45,058
Deferred income	(558,124)	1,582,497
	3,381,925	**3,249,281**

19. Comparative figures

Certain comparative figures and headings have been reclassified.

Detailed Income Statement

Figures in Rand	Notes	2019	2018
Revenue			
Hajj fees - 2018 (Hajj period - August/September 2018)		5,264,688	-
Hajj fees - 2017 (Hajj period - August/September 2017)		-	3,559,343
Registration fees - Hajj Operators		250,000	205,000
Registration fees - Hujjaj		2,587,906	2,205,994
	9	**8,102,594**	**5,970,337**
Other income			
Gain on foreign exchange differences		65,044	54,402
Investment revenue	12	615,943	430,656
Recovery of trade receivables previously impaired		-	3,000
Rental income		60,250	24,750
		741,237	**512,808**
Operating expenses			
Advertising		41,623	-
Airport expenses		12,649	14,925
Auditor's remuneration	15	80,000	60,750
Bank charges		29,979	34,937
Board Members - Hajj mission subsistence	17	96,278	83,261
Computer expenses		-	513
Consulting fees		44,000	-
Depreciation, amortisation and impairments	11	30,275	144,817
Employee costs		298,216	295,592
Gifts		5,750	-
Lease rentals on operating lease		299,568	259,118
Meeting expenses		44,163	52,142
Mission expenses	16	2,246,593	2,197,379
Paygate charges		132,258	-
Printing and stationery		11,490	7,282
Protocol expenses		143,129	205,331
Roadshow expenses		41,058	19,489
Staff welfare		3,910	964
Telephone, fax and internet costs		74,378	66,819
Travel expenses		101,924	123,137
Website hosting & bulk sms fees		45,838	58,597
Website maintenance costs		76,467	116,651
		3,859,546	**3,741,704**
Operating surplus	10	**4,984,285**	**2,741,441**
Interest and penalties	13	(636)	(373)
Surplus for the year		**4,983,649**	**2,741,068**

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