

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

Annual Financial Statements
for the year ended 31 March 2014

A2A Kopano Inc.
Chartered Accountants (SA)
Registered Auditors
Published 19 November 2014

South African Hajj and Umrah Council

Annual Financial Statements for the year ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa
Organisation	The Organisation is volunteer based and is a non-profit Organisation which is engaged in facilitating and ensuring compliance by South African Muslim pilgrims going for hajj in terms of the agreements entered into with the Saudi Arabian Ministry of Hajj
Board of SAHUC	Shaheen Ayub Essop (President) Ebrahim Vawda (First Deputy President) Mohammed Groenewald (Second Deputy President) Hassen Faried Choonara (Secretary General) Abdul Fattaag Carr (Asst. Secretary General) Asif Essop (Treasurer) Goolam Hoosen Kolia (Asst. Treasurer) Ismail Suliman Kholvadia Ebrahim Hoosen Simjee Sedick Steenkamp Abdullah Khan Moosa Seedat Musthapha Murudker
Postal address	PO Box 787616 Sandton 2146
Bankers	Habib Overseas Bank Limited First National Bank Limited SHB Bank Saudi Arabia
Auditors	A2A Kopano Inc. Chartered Accountants (S.A.) Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of International Auditing Standards.
Preparer	The annual financial statements were internally compiled by: Asif Essop
Published	19 November 2014
Website	www.sahuchajjregistry.org.za
Email address	info@sahuchajjregistry.org.za

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Independent Auditors' Report

To the Board of South African Hajj and Umrah Council

We have audited the annual financial statements of South African Hajj and Umrah Council, as set out on pages 8 to 16, which comprise the statement of financial position as at 31 March 2014, 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 SAHUC's Responsibility for the Financial Statements

The Board of SAHUC is 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 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 misstatements, whether due to fraud or error.

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 management, 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 South African Hajj and Umrah Council as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of International Auditing Standards.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 17 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.

The organisation is not registered as a taxpayer in terms of section 30 of the Income Tax Act No 58 of 1962. Had the organisation been registered, the Income Tax effect would be RNil and have no effect on the retained income.

A2A Kopano Inc.
Registered Auditors

19 November 2014

5 Pavilion Place
Waterford Precinct, Century Boulevard
Century City
Cape Town
7441

South African Hajj and Umrah Council

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The 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 year 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 acknowledge 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 of SAHUC 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 members and 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 has reviewed the Organisation's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, is satisfied that the Organisation has or 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 page 3 to 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the Board of SAHUC on 19 November 2014 and were signed on its behalf by:

Shaheen Ayub Essop (President)

Asif Essop (Treasurer)

Hassen Faried Choonara (Secretary General)

South African Hajj and Umrah Council

Annual Financial Statements for the year ended 31 March 2014

Board of SAHUC's Report

The Board of SAHUC has pleasure in submitting its report on the annual financial statements of South African Hajj and Umrah Council for the year ended 31 March 2014.

1. Nature of business

The Organisation is volunteer based and is a non-profit Organisation which is engaged in facilitating and ensuring compliance of South African Muslim pilgrims going for hajj in terms of the agreements entered into with the Saudi Arabian Ministry of Hajj.

To accredit pilgrims and provide medical and other services to pilgrims.

To manage and supervise the Hajj operators delivering services to South African Pilgrims.

The organisation operates principally in the Republic of South Africa and the Kingdom of Saudi Arabia.

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

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. 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

The members in office at the date of this report and changes during the year under review are as follows:

	Changes
Shaheen Ayub Essop (President)	
Ebrahim Vawda (First Deputy President)	
Mohammed Groenewald (Second Deputy President)	Appointed 18 August 2013
Hassen Faried Choonara (Secretary General)	Appointed 18 August 2013
Abdul Fattaag Carr (Asst. Secretary General)	Appointed 18 August 2013
Asif Essop (Treasurer)	
Goolam Hoosen Kolia (Asst. Treasurer)	Appointed 18 August 2013
Imam Hashim Salie	Resigned 18 August 2013
Qari Moosa Seedat	Resigned 18 August 2013
Ismail Suliman Kholvadia	
Ebrahim Hoosen Simjee	
Sedick Steenkamp	
Abdullah Khan	
Moosa Seedat	
Musthapha Murudker	

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.

5. Events after the reporting period

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

South African Hajj and Umrah Council

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Board of SAHUC's Report

6. Going concern

The Board of SAHUC believe 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 of SAHUC has satisfied themselves that the Organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Board of SAHUC is not aware of any new material changes that may adversely impact the Organisation. The Board of SAHUC 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 for the Organisation for 2015.

8. Amendments to Constitution

Amendments to the constitution was effected on 18 August 2013.

South African Hajj and Umrah Council

Annual Financial Statements for the year ended 31 March 2014

Statement of Financial Position as at 31 March 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	46,162	32,736
Current Assets			
Trade and other receivables	3	38,776	38,776
Cash and cash equivalents	4	2,295,239	3,251,758
		<u>2,334,015</u>	<u>3,290,534</u>
Total Assets		<u>2,380,177</u>	<u>3,323,270</u>
Equity and Liabilities			
Equity			
Accumulated surplus		2,332,360	3,221,146
Liabilities			
Current Liabilities			
Trade and other payables	5	47,817	102,124
Total Equity and Liabilities		<u>2,380,177</u>	<u>3,323,270</u>

South African Hajj and Umrah Council

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue	6	1,671,696	3,033,421
Other income		52,525	-
Operating expenses		(2,686,213)	(2,745,476)
Operating (deficit) / surplus	7	(961,992)	287,945
Investment revenue	8	73,883	63,616
Finance costs - Interest and Penalties	9	(677)	-
(Deficit) / surplus for the year		(888,786)	351,561

South African Hajj and Umrah Council

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Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 April 2012	2,869,585	2,869,585
Surplus for the year	351,561	351,561
Balance at 01 April 2013	3,221,146	3,221,146
Deficit for the year	(888,786)	(888,786)
Balance at 31 March 2014	2,332,360	2,332,360

South African Hajj and Umrah Council

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Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash (used in) / generated from operations	11	(1,062,478)	425,453
Investment income		73,883	63,616
Finance costs - Interest and Penalties		(677)	-
Net cash from operating activities		(989,272)	489,069
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(19,772)	(12,240)
Total cash movement for the year		(1,009,044)	476,829
Cash at the beginning of the year		3,251,758	2,850,937
Effect of exchange rate movement on cash balances		52,525	(76,008)
Total cash at end of the year	4	2,295,239	3,251,758

South African Hajj and Umrah Council

Annual Financial Statements for the year ended 31 March 2014

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, 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 supply of goods or services or for administration; 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.

Depreciation is provided using the diminishing balance 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	6 years
Motor vehicles	5 years
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through surplus or deficit.

Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.3 Leases

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

Operating leases – lessee

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

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Accounting Policies

1.4 Revenue

Gross revenue comprises mainly of Registration fees and Hajj fees which are accounted for on the cash basis.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.5 Borrowing costs

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

1.6 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency of the organisation, 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 end of each reporting period:

- foreign currency monetary items are translated using the closing rate

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 surplus or deficit in the period in which they arise.

South African Hajj and Umrah Council

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Notes to the Annual Financial Statements

Figures in Rand

2014

2013

2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	42,931	(27,285)	15,646	42,931	(24,155)	18,776
IT equipment	135,348	(119,956)	15,392	122,076	(118,896)	3,180
Office equipment	93,970	(78,846)	15,124	87,470	(76,690)	10,780
Total	272,249	(226,087)	46,162	252,477	(219,741)	32,736

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	18,776	-	(3,130)	15,646
IT equipment	3,180	13,272	(1,060)	15,392
Office equipment	10,780	6,500	(2,156)	15,124
	32,736	19,772	(6,346)	46,162

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	7,843	12,240	(1,307)	18,776
IT equipment	4,769	-	(1,589)	3,180
Office equipment	13,475	-	(2,695)	10,780
	26,087	12,240	(5,591)	32,736

3. Trade and other receivables

Trade receivables	13	33,776	33,776
Deposits - Hire of hall		5,000	5,000
		38,776	38,776

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	695,950	3,217,193
Short-term deposits	1,011,712	-
Other cash and cash equivalents	587,577	34,565
	2,295,239	3,251,758

5. Trade and other payables

Accrued expenses	47,817	50,424
Monies refundable	-	51,700
	47,817	102,124

6. Revenue

Hajj fees	1,227,374	2,098,621
Registration fees	444,322	839,800
Disciplinary income	-	95,000
	1,671,696	3,033,421

South African Hajj and Umrah Council

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Notes to the Annual Financial Statements

Figures in Rand	2014	2013
7. Operating (deficit) / surplus		
Operating (deficit) / surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	166,472	146,414
Depreciation on property, plant and equipment	6,346	5,591
Employee costs	293,869	316,976
8. Investment revenue		
Investment income - bank (interest)	1,577	1,621
Islamic profit share	72,306	61,995
	73,883	63,616
9. Finance costs - Interest and Penalties		
Late payment of employees tax	677	-
10. Auditors' remuneration		
2011 Audit fees	-	34,200
2012 Audit fees	42,750	-
2013 Audit fees	42,750	-
	85,500	34,200
11. Cash (used in) / generated from operations		
(Deficit) surplus before taxation	(888,786)	351,561
Adjustments for:		
Depreciation and amortisation	6,346	5,591
(Surplus) deficit on foreign exchange	(52,525)	76,008
Investment revenue - Islamic profit share	(72,306)	(63,616)
Finance costs	677	-
Investment revenue - bank (interest)	(1,577)	-
Changes in working capital:		
Trade and other receivables	-	(33,774)
Trade and other payables	(54,307)	89,683
	(1,062,478)	425,453
12. Mission expenses		
Accommodation	790,231	705,094
Subsistence	525,944	530,780
Travel	306,168	221,202
Other (Mainly Medical Disbursements)	124,362	148,575
	1,746,705	1,605,651

South African Hajj and Umrah Council

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Notes to the Annual Financial Statements

Figures in Rand

2014

2013

13. Trade receivables

The Organisation incurred legal expenses in seeking legal counsel with regard to the matter, Abrahams v South African Hajj and Umrah Council. The organisation was successful in defending this legal action brought against it by Abrahams. Counsel has indicated that legal expenses incurred to date will be recoverable from Abrahams. A warrant of execution has been issued. A response of the sheriff is outstanding at the date of this report.

14. Offices

The following premises are occupied by SAHUC:

Cape Town Office

Wembley Centre
21 Belgravia Road
Athlone
Cape Town
Tel: 021 696 4433
Fax: 021 697 5317
Email: info@sahuchajjregistry.org.za

Johannesburg Office

Second Floor
South Section
81 Crown Road
Fordsburg
Johannesburg
Tel: 011 838 9786
Fax: 086 273 0328
Email: sahucgtn@telkomsa.net

Durban Office

The NMJ Islamic Centre
37/41 Mountain View Road
Roseglen
Durban
Tel: 031 207 3975
Fax: 086 535 9641
Email: sahuckzn@gmail.com

15. Operator Guarantees

Amounts received during the year	967,799	-
Amounts refunded during the year	(967,799)	-
	<u>-</u>	<u>-</u>

South African Hajj and Umrah Council

Annual Financial Statements for the year ended 31 March 2014

Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
Revenue			
Hajj fees		1,227,374	2,098,621
Registration fees		444,322	839,800
Disciplinary income		-	95,000
	6	1,671,696	3,033,421
Other income			
Investment income	8	73,883	63,616
Gain on exchange differences		52,525	-
		126,408	63,616
Operating expenses			
Airport staff expenses		18,500	19,049
Auditors remuneration	10	85,500	34,200
Bank charges		16,694	20,092
Depreciation		6,346	5,591
Employee costs		293,869	316,976
Lease rentals on operating lease		166,472	146,414
Legal expenses		3,919	-
Loss on exchange differences		-	76,008
Meeting expenses		51,322	75,779
Mission expenses	12	1,746,705	1,605,651
Printing and stationery		21,294	31,270
Repairs and maintenance		1,043	88,013
Roadshow hajj		62,517	63,576
Staff welfare		5,000	-
Telephone and fax		93,912	64,694
Website hosting		113,120	198,163
		2,686,213	2,745,476
Operating (deficit) surplus	7	(888,109)	351,561
Finance costs - Interest and Penalties	9	(677)	-
(Deficit) / surplus for the year		(888,786)	351,561