

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

**Annual Financial Statements
for the year ended 31 March 2018**

**A2A Kopano Inc.
Chartered Accountants (S.A.)
Registered Auditors
Published 31 October 2018**

South African Hajj and Umrah Council

[Also known as SAHUC]

Annual Financial Statements for the year ended 31 March 2018

General Information

Country of incorporation and domicile	South Africa
Type of 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 Members	Muhammad Vaid (President) Shaheen Ayub Essop (First Deputy President) Ismail Kholvadia (Second Deputy President) Moaz 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)
Offices	<p>Cape Town Office Wembley Centre 21 Belgravia Road Athlone Cape Town Tel: 021 696 4433 Fax: 021 697 5317 Email: sahucsg@sahuc.org.za</p> <p>Johannesburg Office Second Floor, South Section Saley House Fordsburg Johannesburg Tel: 011 838 9786 Fax: 086 273 0328 Email: sahucsg@sahuc.org.za</p> <p>Durban Office The NMJ Islamic Centre 37/41 Mountain View Road Roseglan Durban Tel: 031 207 3975 Fax: 086 535 9641 Email: sahucsg@sahuc.org.za</p>

South African Hajj and Umrah Council

[Also known as SAHUC]

Annual Financial Statements for the year ended 31 March 2018

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
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	31 October 2018
Website	www.sahuc.org.za
Email address	sahucsg@sahuc.org.za

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KOPANO INCORPORATED

CHARTERED ACCOUNTANTS (S.A.)
& REGISTERED AUDITORS

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Heron Crescent
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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 20, which comprise the statement of financial position as at 31 March 2018, 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 2018, 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.

Emphasis of matter

We draw attention to note 2 to the annual financial statements which indicates the organisation changed its accounting policy with respect to the treatment of revenue. The organisation now records revenue on the accrual basis of accounting in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities. The effect of this change is highlighted in note 2. Our opinion is not modified in respect of this matter.

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.

IRBA. NO. 901944-0005 Co.Reg. No. 1998/014078/21

Directors	Chairman KJ Sithole Chief Executive Officer HAS Moosa Chairman of Executive Committee MSA Paruk List of Directors available at the registered office or national website.	4
Offices in	Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West	
Website	www.a2akopano.co.za	

Independent Auditor's Report

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.
Moegamat Igshaan Stenekamp
Director
Registered Auditor

31 October 2018

Unit F4 - F6
Century Square
Heron Crescent
Century City
7446

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

Annual Financial Statements for the year ended 31 March 2018

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 21, which have been prepared on the going concern basis, were approved by the Board on 31 October 2018 and were signed on its behalf by:

Signed on behalf of the Board By:



Muhammad Vaid (President)



Asif Essop (Treasurer)



Moaz Casoo (Secretary General)

Durban

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

Annual Financial Statements for the year ended 31 March 2018

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 2018.

1. Nature of business

SAHUC is volunteer based and is a Non-Profit Organisation which is engaged primarily in facilitating and ensuring compliance of South African muslim pilgrims going for Hajj in terms of agreements entered into with the Saudi Arabian Ministry of Hajj.

Other related services include:

- to accredit pilgrims, provide medical and other services; and
- to manage and 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 and the Kingdom of Saudi Arabia.

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, except for the adoption of revised accounting standards as set out in note 1.

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 term of the following executive members in office during the 2017 financial year came to an end on 22 October 2017:

2017

Shaheen Ayub Essop (President)
Muhammad Vaid (First Deputy President)
Mohammad Groenewald (Second Deputy President)
Hassan Faried Choonara (Secretary General)
Ebrahim Simjee (Assistant Secretary General)
Ebrahim Vawda (Treasurer)
Asif Essop (Assistant Treasurer)
Sedick Steenkamp
Moosa Seedat
Ismail Kholvadia
Hashim Salie (Regional Chairperson - Western Cape)
Adam Masheso (Regional Chairperson - KZN)
Bilal Vaid (Regional Chairperson - Gauteng)

At the Annual General Meeting held on 22 October 2017, the following executive members were elected:

2018

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)

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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.

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.

8. Accounting policy

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities on a basis consistent with the prior year except for its treatment of revenue. During the year, the organisation changed its accounting policy with respect to the treatment of revenue from the cash receipts basis to the accruals basis.

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Statement of Financial Position as at 31 March 2018

Figures in Rand	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	3	456,538	125,700
Intangible assets	4	62,719	-
		519,257	125,700
Current Assets			
Trade and other receivables	5	833,876	-
Cash and cash equivalents	6	12,596,604	9,005,415
		13,430,480	9,005,415
Total Assets		13,949,737	9,131,115
Equity and Liabilities			
Equity			
Revaluation reserve	7	450,000	-
Accumulated surplus		8,485,703	5,744,636
		8,935,703	5,744,636
Liabilities			
Current Liabilities			
Trade and other payables	8	46,110	1,052
Deferred income	9	4,967,924	3,385,427
		5,014,034	3,386,479
Total Equity and Liabilities		13,949,737	9,131,115

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Statement of Comprehensive Income

Figures in Rand	Notes	2018	2017
Revenue	10	5,970,337	4,730,285
Other income		82,152	70,000
Operating expenses		(3,741,705)	(3,872,485)
Operating surplus	11	2,310,784	927,800
Investment revenue	13	430,656	200,782
Interest and penalties	14	(373)	(479)
Surplus for the year		2,741,067	1,128,103
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		3,191,067	1,128,103

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Statement of Changes in Equity

Figures in Rand	Revaluation reserve	Accumulated surplus	Total equity
Balance at 01 April 2016	-	4,616,533	4,616,533
Surplus for the year	-	1,128,103	1,128,103
Other comprehensive income	-	-	-
Balance at 01 April 2017	-	5,744,636	5,744,636
Surplus for the year	-	2,741,067	2,741,067
Other comprehensive income	450,000	-	450,000
Balance at 31 March 2018	450,000	8,485,703	8,935,703
Note	7		

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Statement of Cash Flows

Figures in Rand	Notes	2018	2017
Cash flows from operating activities			
Cash generated from operations	19	3,249,280	3,201,961
Investment income		430,656	200,782
Interest and penalties		(373)	(479)
Net cash from operating activities		3,679,563	3,402,264
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(9,975)	-
Purchase of intangible assets	4	(78,399)	-
Net cash from investing activities		(88,374)	-
Total cash movement for the year		3,591,189	3,402,264
Cash at the beginning of the year		9,005,415	5,603,151
Total cash at end of the year	6	12,596,604	9,005,415

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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 IT equipment 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, except for the changes set out in note 2, Changes in accounting policy.

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
Office equipment	Straight line	5 years
IT equipment	Straight line	3 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.

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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.

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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 company 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.

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Notes to the Annual Financial Statements

Figures in Rand 2018 2017

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities on a basis consistent with the prior year except for the following:

Revenue

During the year, the organisation changed its accounting policy with respect to the treatment of revenue. The organisation now records certain revenue on the accrual basis as opposed to the cash receipts basis.

The aggregate effect of the changes in accounting policy on the annual financial statements is as follows:

Statement of Financial Position

Opening retained earnings

Previously stated	(9,130,063)
Adjustment	3,385,427
	<u>(5,744,636)</u>

Deferred income

Previously stated	-
Adjustment	(3,385,427)
	<u>(3,385,427)</u>

Statement of Comprehensive Income

Revenue

Previously stated	(8,115,712)
Adjustment	3,385,427
	<u>(4,730,285)</u>

3. Property, plant and equipment

	2018			2017		
	Cost / Revaluation	Accumulated depreciation	Carrying value	Cost / Revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	50,267	(43,730)	6,537	50,267	(41,016)	9,251
Office equipment	93,970	(93,969)	1	93,970	(93,969)	1
IT equipment	1,299,674	(849,674)	450,000	839,699	(723,251)	116,448
Total	1,443,911	(987,373)	456,538	983,936	(858,236)	125,700

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Revaluation	Depreciation	Total
Furniture and fixtures	9,251	-	-	(2,714)	6,537
Office equipment	1	-	-	-	1
IT equipment	116,448	9,975	450,000	(126,423)	450,000
	125,700	9,975	450,000	(129,137)	456,538

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Notes to the Annual Financial Statements

Figures in Rand 2018 2017

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Total
Furniture and fixtures	17,631	(8,380)	9,251
Office equipment	9,075	(9,074)	1
IT equipment	396,320	(279,872)	116,448
	423,026	(297,326)	125,700

4. Intangible assets

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademarks	78,399	(15,680)	62,719	-	-	-

Reconciliation of intangible assets - 2018

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

5. Trade and other receivables

Prepaid expenditure (Hajj period - August/September 2018)	163,563	-
Guarantee fees	670,313	-
	833,876	-

Guarantee placed with Saudi Arabian Ministry of Hajj during the year

South African Rand	670,313	-
Saudi Arabian Riyaal	178,750	-

Guarantee placed with Saudi Arabian Ministry of Hajj after year end

South African Rand	348,750	-
Saudi Arabian Riyaal	93,000	-

Exchange rate used for conversion of Saudi Riyaal

South African Rand	3.75	3.58
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The Saudi Arabian Ministry of Hajj changed its policy and now requires the refundable guarantee to be paid directly to the Saudi Arabian Ministry of Hajj. Refer note 6.

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	6,262,173	1,070,254
Short-term deposits	5,127,111	6,255,777
Other cash and cash equivalents	1,207,320	1,679,384
	12,596,604	9,005,415
Included in other cash and cash equivalents is a guarantee held on behalf of the Saudi Arabian Ministry of Hajj, Rnil (2017: 519,100 (SR145,000)). During the 2018 financial year, the Saudi Arabian Ministry of Hajj changed its policy and now requires the refundable guarantee to be paid directly to the Saudi Arabian Ministry of Hajj. Refer note 5.		
7. Revaluation reserve		
Revaluation	450,000	-
IT equipment was revalued to R450,000 during the year under review by Fingerprints Software Proprietary Limited.		
8. Trade and other payables		
Trade payables	1	-
Accrued expenses	1,109	1,052
Other payables	45,000	-
	46,110	1,052
9. Deferred income		
Hajj fees received in advance	4,967,924	3,385,427
	4,967,924	3,385,427
Deferred income represents Hajj fees received in advance for the Hajj period in August/September 2018.		
10. Revenue		
Hajj fees - 2017 (Hajj period - August/September 2017)	3,559,343	-
Hajj fees - 2016 (Hajj period - September 2016)	-	2,660,184
Registration fees - Hajj Operators	205,000	190,000
Registration fees - Hujjaj	2,205,994	1,880,101
	5,970,337	4,730,285
11. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	259,118	239,606

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
11. Operating surplus (continued)		
Amortisation	15,680	-
Depreciation	129,137	297,325
Employee costs	295,592	264,176
(Gain) loss on foreign exchange differences	(54,402)	197,351
Impairment of trade receivables	-	32,276
	<u> </u>	<u> </u>
12. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	<u>129,137</u>	<u>297,325</u>
Amortisation		
Intangible assets	<u>15,680</u>	<u>-</u>
Impairments		
Trade and other receivables	<u>-</u>	<u>32,276</u>
Total depreciation, amortisation and impairments		
Depreciation	129,137	297,325
Amortisation	15,680	-
Impairment of trade receivables	-	32,276
	<u>144,817</u>	<u>329,601</u>
13. Investment revenue		
Bank	175	1,847
Islamic profit share	430,481	198,935
	<u>430,656</u>	<u>200,782</u>
14. Interest and penalties		
Late payment - SARS	<u>373</u>	<u>479</u>
15. Income Tax		
No provision has been made for 2018 tax as the organisation has been granted tax exemption in terms of Section 10(1)(cN) of the Income Tax Act.		
16. Auditor's remuneration		
Fees	<u>60,750</u>	<u>53,865</u>

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
17. Mission expenses		
Accommodation	615,915	605,394
Subsistence	771,398	774,821
Travel	416,125	332,819
Other (mainly medical disbursements)	393,941	274,830
	2,197,379	1,987,864
18. Board Members' remuneration		
Ismail Kholvadia - subsistence	67,968	66,758
Muhammad Vaid - subsistence	15,293	-
	83,261	66,758
The above two Board Members were part of Hajj mission 1438 (1437).		
19. Cash generated from operations		
Surplus before taxation	2,741,067	1,128,103
Adjustments for:		
Depreciation and amortisation	144,817	297,325
Investment revenue	(430,656)	(200,782)
Interest paid	373	479
Impairment of trade receivables	-	32,276
Changes in working capital:		
Trade and other receivables	(833,876)	-
Trade and other payables	45,058	(1,440,867)
Deferred income	1,582,497	3,385,427
	3,249,280	3,201,961
20. Comparative figures		
Certain comparative figures have been reclassified.		

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Detailed Income Statement

Figures in Rand	Notes	2018	2017
Revenue			
Hajj fees - 2017 (Hajj period - August/September 2017)		3,559,343	-
Hajj fees - 2016 (Hajj period - September 2016)		-	2,660,184
Registration fees - Hajj Operators		205,000	190,000
Registration fees - Hujjaj		2,205,994	1,880,101
	10	5,970,337	4,730,285
Other income			
Gain on foreign exchange differences		54,402	-
Hajj Operators - Fines and penalties		-	70,000
Investment revenue	13	430,656	200,782
Recovery of trade receivables previously impaired		3,000	-
Rental income		24,750	-
		512,808	270,782
Operating expenses			
Airport expenses		14,925	12,000
Auditor's remuneration	16	60,750	53,865
Bank charges		34,938	42,176
Board Members' remuneration	18	83,261	66,758
Computer expenses		513	1,300
Depreciation, amortisation and impairments	12	144,817	329,601
Donation interest paid		-	14,857
Employee costs		295,592	264,176
Lease rentals on operating lease		259,118	239,606
Legal expenses		-	20,495
Loss on foreign exchange differences		-	197,351
Meeting expenses		52,142	64,666
Mission expenses	17	2,197,379	1,987,864
Printing and stationery		7,282	12,918
Protocol expenses		205,331	126,899
Roadshow expenses		19,489	44,039
Staff welfare		964	832
Telephone, fax and internet costs		66,819	70,313
Travel expenses		123,137	96,623
Website hosting & bulk sms fees		58,597	-
Website maintenance costs		116,651	226,146
		3,741,705	3,872,485
Operating surplus	11	2,741,440	1,128,582
Interest and penalties	14	(373)	(479)
Surplus for the year		2,741,067	1,128,103