

Southern Africa Tourism Services Association NPC
(Registration number 2003/006523/08)
Annual Financial Statements
for the year ended 31 December 2023

Drafts for discussion

Southern Africa Tourism Services Association NPC

(Registration number: 2003/006523/08)

Annual Financial Statements for the year ended 31 December 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Managing and administering of the Southern Africa Tourism industry members' association
Directors	Martina Annette Barth Suzanne Leza Benadie Gumthee Bhoola Anne Briggs Melissa Suegnet Brockmann Dewald Johan Cillie Andre Du Toit Gavin Kenneth Eyre David John Frost Robert William Hetem Mandisa Magwaxaza Mbulungeni Tryphinah Muthige Ikaneng Ephraim Pilane Nicole Brydene Tunmer Marilda Wiegand
Registered office	Ground Floor Rosebank Terrace North 23 Sturdee Avenue Rosebank Gauteng 2196
Postal address	PO Box 900 Ferndale 2160
Auditors	Alchemy Audit Services Incorporated
Company registration number	2003/006523/08
Tax reference number	9556299155
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: MM Kayser Professional Accountant (SA)
Issued	12 August 2024

Southern Africa Tourism Services Association NPC

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

MM Kayser
Professional Accountant (SA)

Published

12 August 2024

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Social and Ethics Committee Report

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 7 - 8.

The annual financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the board on 12 August 2024 and were signed on its behalf by:

Approval of annual financial statements

Director

Director

Director

Director

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Southern Africa Tourism Services Association NPC for the year ended 31 December 2023.

1. Nature of business

Southern Africa Tourism Services Association NPC was incorporated in South Africa with interests in the Tourism industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business 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 and the requirements of the Companies Act of South Africa. 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 company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Designation
Martina Annette Barth	Chapter Chair: Garden route	Non-executive (Ex-Officio)
Suzanne Leza Benadie	Chairperson	Executive
Gumthee Bhoola	Chief Operating Officer	Non-executive Independent
Anne Briggs	Chief Operating Officer	Non-executive Independent
Melissa Suegnet Brockmann	Finance Director	Executive
Dewald Johan Cillie	Other	Non-executive Independent
Andre Du Toit		Executive
Gavin Kenneth Eyre	Chapter Chair: Western Cape	Non-executive (Ex-Officio)
David John Frost	Chair: Membership Committee	Non-executive (Elect)
Robert William Hetem	Chapter Chair: KwaZulu Natal	Non-executive (Ex-Officio)
Mandisa Magwaxaza	Chair: Value Add Committee	Non-executive (Elect)
Mbulungeni Tryphinah Muthige	Chair: Marketing Committee	Non-executive (Ex-Officio)
Ikaneng Ephraim Pilane	Chapter Chair: Adventure Tourism and Chair: Safety and Security Committee	Non-executive (Ex-Officio)
Nicole Brydene Tunmer	Chapter Chair: Youth	Non-executive (Ex-Officio)
Marilda Wiegand	Chief Executive Officer	Executive

4. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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Annual Financial Statements for the year ended 31 December 2023

Directors' Report

4. Going concern (continued)

The directors believe that the company 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 directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the company.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Auditors

Alchemy Audit Services Incorporated continued in office as auditors for the company for 2023.

At the AGM, the shareholders will be requested to reappoint Alchemy Audit Services Incorporated as the independent external auditors of the company and to confirm the designated lead audit partner for the 2024 financial year.

7. Secretarial administrator

The company secretarial administrator is Alchemy Financial Services Incorporated.

Postal address

PO Box 2627
Northriding
2162

Business address

Unit 3 Bush Hill Office Park
Jan Frederick Avenue
Bush Hill
2154

8. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on 12 August 2024. No authority was given to anyone to amend the annual financial statements after the date of issue.

The annual financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the board on 12 August 2024, and were signed on its behalf by:

Approval of annual financial statements

Director

Director

Director

Director



ALCHEMY AUDIT SERVICES INCORPORATED

Registered Auditors (SA)

Independent Auditor's Report

To the Members of Southern Africa Tourism Services Association NPC

Opinion

We have audited the annual financial statements of Southern Africa Tourism Services Association NPC (the company) set out on pages 9 to 22, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 Southern Africa Tourism Services Association NPC as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

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 company 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Southern Africa Tourism Services Association NPC annual financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 23 to 26. The 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 Directors for the Annual Financial Statements

The directors are 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 the requirements of the Companies Act of South Africa, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If 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 company 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 directors 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.

Alchemy Audit Services Incorporated
John Brockbank
Director
Registered Auditors

12 August 2024
Randburg

Alchemy Audit Services Incorporated
Registration Number 2005/010148/21
Unit 3 Bush Hill Office Park, Jan Frederick Ave, Bush Hill 2154
PO Box 2627, Northriding 2162, Tel: (011) 795 8100, Fax: 086 770 8558
Directors: **F Pretorius** CA(SA) RA, **HJ Brockbank** CA(SA) RA

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Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	58,883	76,410
Other financial assets	3	633,761	665,506
Deferred tax	4	258,676	178,199
		951,320	920,115
Current Assets			
Trade and other receivables	5	1,013,665	862,221
Prepayments	6	215,091	213,889
Cash and cash equivalents	7	2,021,937	1,180,399
		3,250,693	2,256,509
Total Assets		4,202,013	3,176,624
Equity and Liabilities			
Equity			
Retained income		2,423,656	2,384,432
Liabilities			
Current Liabilities			
Trade and other payables	8	566,348	705,242
Current tax payable		228,749	-
Provisions	9	108,950	86,950
Fees received in advance	10	874,310	-
		1,778,357	792,192
Total Equity and Liabilities		4,202,013	3,176,624

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue	11	9,847,516	8,332,181
Other income	13	671,918	949,440
Operating expenses	14	(10,577,594)	(9,126,248)
Operating (loss) profit		(58,160)	155,373
Investment revenue	15	250,998	137,767
Finance costs	16	(5,342)	-
Profit before taxation		187,496	293,140
Taxation	17	(148,272)	(255,003)
Profit for the year		39,224	38,137

Drafts for discussion

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2022	2,346,295	2,346,295
Profit for the year	38,137	38,137
Balance at 01 January 2023	2,384,432	2,384,432
Profit for the year	39,224	39,224
Balance at 31 December 2023	2,423,656	2,423,656

Drafts for discussion

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Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash receipts from customers		9,299,357	8,949,373
Cash paid to suppliers and employees		(10,481,860)	(9,072,172)
Cash used in operations	19	(1,182,503)	(122,799)
Interest income		1,147,566	137,767
Finance costs		(5,342)	-
Net cash from operating activities		(40,279)	14,968
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(24,238)	(61,526)
Net movement on other financial assets		31,745	(32,967)
Cash receipts on repayments of loans to directors, managers and employees		-	102,126
Net cash from investing activities		7,507	7,633
Cash flows from financing activities			
Movement on fees received in advance		874,310	(440,625)
Total cash movement for the year		841,538	(418,024)
Cash and cash equivalents at the beginning of the year		1,180,399	1,598,423
Total cash at end of the year	7	2,021,937	1,180,399

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. 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 Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

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

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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Accounting Policies

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.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They 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 fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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Accounting Policies

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 company assesses at each reporting date whether there is any indication that property, plant and equipment 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.

1.7 Share capital and equity

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

1.8 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.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has an obligation at the reporting date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement;
- and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

1.10 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

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

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Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Office equipment	56,527	(35,538)	20,989	51,788	(20,845)	30,943
IT equipment	159,689	(121,795)	37,894	140,190	(94,723)	45,467
Total	216,216	(157,333)	58,883	191,978	(115,568)	76,410

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Office equipment	30,943	4,739	(14,693)	20,989
IT equipment	45,467	19,499	(27,072)	37,894
	76,410	24,238	(41,765)	58,883

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	4,588	-	(4,021)	(567)	-
Office equipment	4,508	39,323	(1,320)	(11,568)	30,943
IT equipment	55,198	22,203	(9,502)	(22,432)	45,467
	64,294	61,526	(14,843)	(34,567)	76,410

3. Other financial assets

At fair value

Lost Advances Fund - Guardrisk Contingency policy

633,761

665,506

The fund is used to reimburse a loss by any member who, or whose client, has paid in advance for services or products to be provided by a SATSA member who is subsequently declared insolvent before providing those services or products and recognised at the present value of the fund less claims provided for.

Refer to Note 22 for terms and conditions of the fund.

Non-current assets

At fair value

633,761

665,506

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
4. Deferred tax		
The major components of the deferred tax balance are as follows:		
Deferred tax asset		
Arising as a result of temporary differences on:		
Provisions and accruals	316,750	98,544
Deferred tax balance from temporary differences other than unused tax losses	316,750	98,544
Tax losses available for set off against future taxable income	-	139,544
Total deferred tax asset	316,750	238,088
Deferred tax liability		
Arising as a result of temporary differences on:		
Prepayments	(58,074)	(59,889)
Deferred tax asset	316,750	238,088
Deferred tax liability	(58,074)	(59,889)
Total net deferred tax asset	258,676	178,199
Reconciliation of deferred tax asset/(liability)		
At beginning of year	178,199	433,202
Recognised in profit or loss:		
Increases (decrease) in tax loss available for set off against future taxable income	(139,545)	(122,745)
Movement in temporary differences on prepayments	1,815	1,135
Movement in temporary differences on provisions and accruals	41,451	(10,018)
Movement in temporary differences on amounts received in advance	176,756	(123,375)
At end of year	258,676	178,199
5. Trade and other receivables		
Accrued income	214,500	-
Deposits	-	172,065
Other receivable	330,623	272,976
Trade receivables - Refer to Note 24	468,542	417,180
	1,013,665	862,221
Other receivable comprises of staff COVID-19 loans of R330,623 (2022: R272,976). These balances were impaired at year end to the amount of R0 (2022: R0). Refer to Note 20 of the notes to the annual financial statements for balances owed by key management related parties at year end.		
Other receivable - Staff COVID-19 loans receivable		
Staff loans	330,623	272,976
6. Prepayments		
Lost Advances Fund - Guardrisk Contingency policy	215,091	213,889
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	2,021,937	1,180,399

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Figures in Rand	2023	2022		
8. Trade and other payables				
Accrued leave pay	285,292	210,146		
Other payables	(23,605)	13,309		
Accrued expenses	123,745	348,062		
Trade payables	73,363	85,599		
Value added taxation payable	107,553	48,126		
	566,348	705,242		
9. Provisions				
Reconciliation of provisions - 2023				
	Opening balance	Additions	Closing balance	
Provision for audit fees	86,950	22,000	108,950	
Reconciliation of provisions - 2022				
	Opening balance	Additions	Utilised during the year	Closing balance
Provision for audit fees	86,950	86,950	(86,950)	86,950
10. Fees received in advance				
Current liability		874,310	-	
11. Revenue				
Adventure Tourism Project income	439,130	-	-	
Advertising income	-	-	2,750	
Atingi GIZ Project income	50,000	-	-	
Chapter income	896,568	-	-	
Conference income	546,360	-	421,000	
Management fees (SATSA Tourism Business Incubator)	355,891	-	-	
Membership fees	6,275,575	-	6,549,676	
Roadshow income	2,173	-	9,216	
Sponsorships received (refer to Note 12)	567,391	-	350,000	
Stand income	701,832	-	441,136	
Training income	12,596	-	-	
Western Cape market access income	-	-	558,403	
	9,847,516		8,332,181	
12. Sponsorships				
Payfast (Proprietary) Limited	217,391	-	-	
Toyota South Africa Motors (Proprietary) Limited	350,000	-	350,000	
	567,391		350,000	

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Figures in Rand	2023	2022
13. Other income		
Interest on staff loans	26,646	18,536
Lost Advances Fund - Guardrisk Contingency policy premium refunded	645,272	641,668
Sundry income	-	289,236
	671,918	949,440
14. Operating expenses		
Operating expenses include the following expenses:		
Operating lease charges		
Premises		
• Contractual amounts	25,200	22,051
Loss on sale of assets and liabilities	-	14,844
Impairment on receivables	172,065	-
Depreciation and amortisation	41,765	34,567
Employee costs	2,898,009	2,976,951
15. Investment revenue		
Interest revenue		
Bank	201,069	65,517
Other interest	49,929	72,250
	250,998	137,767
16. Finance costs		
Late payment of tax	5,342	-
17. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	228,749	-
Deferred taxation		
South African deferred tax - current year	(80,477)	255,003
	148,272	255,003

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Figures in Rand	2023	2022
17. Taxation (continued)		
Reconciliation of the tax expense		
Accounting profit	187,496	293,140
Tax at the applicable tax rate of 27% (2022: 28%)	50,624	82,079
Non-deductible expenses		
Fair value adjustment - other financial assets	6,597	155,137
Fines and penalties	1,442	-
Legal fees not deductible	36,788	-
Impairment of rental deposit	46,457	-
Other permanent differences	-	17,787
	91,284	172,924
Other		
Change in tax rate - deferred tax adjustment	6,364	-
	6,364	-
	148,272	255,003
18. Auditor's remuneration		
Fees	15,063	117,076
Provision relating to year	108,950	86,950
	124,013	204,026
19. Cash used in operations		
Net profit before taxation	187,496	293,140
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	213,830	34,567
Loss on sale of assets and liabilities	-	14,844
Movement in provisions	22,000	-
Investment income	(1,147,566)	(696,170)
Finance costs	5,342	-
Changes in working capital:		
(Increase) decrease in trade and other receivables	(323,509)	226,155
(Increase) decrease in prepayments	(1,202)	4,052
Increase (decrease) in trade and other payables	(138,894)	613
	(1,182,503)	(122,799)

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Figures in Rand 2023 2022

20. Related parties

Relationships

Entities managed / owned by key management

Fuller Frost & Associates t/a The Tourism Strategy

Company of Mr. David John Frost

Entity controlled by members of key management

SATSA Tourism Business Incubator NPC

Members of key management

Chief Executive Officer - David John Frost

Chief Operating Officer - Hannelie du Toit

Chairperson - Anthony James Romer Lee

Vice Chairperson - Robert William Hetem

Treasurer - Martin Jansen van Vuuren

Financial Manager - Hoosein Haffejee

Related party balances and transactions with other related parties

Related party balances

Loan accounts - Owing (to) by related parties

Hannelie du Toit	150,931	128,158
Hoosein Haffejee	92,340	73,107

Related party transactions

Consulting fees paid to related parties

David John Frost	1,820,000	1,624,193
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Compensation paid to key management

Hannelie du Toit	-	1,310,978
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Interest (received from) related parties

Hannelie du Toit	(12,500)	-
Hoosein Haffejee	(7,233)	-

Administration fees (received from) related parties

SATSA Tourism Business Incubator NPC	(355,891)	-
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Compensation paid to key management

Short-term employee benefits	1,816,191	-
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21. Directors' and prescribed officer's remuneration

Executive

2023

Prescribed officers

2023

Hannelie du Toit

Hoosein Haffejee

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Figures in Rand 2023 2022

22. Lost Advances Fund - Guardrisk Contingency policy

Breakdown of Fund

Guardrisk Contingency policy opening balance	665,506	632,539
Performance bonus received - Refer Note 13	645,272	641,668
Guardrisk Contingency policy self-funded premium	(695,862)	(647,260)
Brokerage fees paid	(5,450)	(4,124)
Interest received	49,929	72,251
Shortfall	(25,634)	(29,568)
	<u>633,761</u>	<u>665,506</u>

The limit of indemnity for loss is limited to the lesser of the amount paid to the insolvent member or cost to complete the service or provide the product for which the advance payment was made subject to a maximum of R150,000 per event and a total of R742,063 (2022: R737,918) in total claims on the fund in any period of Insurance. This value added membership benefit is available only to members who are not in arrears in relation to their membership fees and who are members of SATSA in full standing.

The fund is insured in terms of a contingency policy with Guardrisk Insurance Company Limited (Insurer) in order to preserve the fund. The policy is renewed on a yearly basis on 1 May (2022: 1 May). On cancellation or on expiry each year of the policy the Insurer shall declare and pay a performance bonus to the Insured. Unlike traditional insurance premiums which are not recoverable, this performance bonus, which amounts to the premium paid less any Insurer fees and claims and including any interest earned, is refunded to SATSA annually. Due to a May renewal, a portion of the premium is shown as a prepayment annually which is then reversed in the subsequent year.

The board is responsible for determining the validity of any claim before submitting it to Guardrisk. The board will from time to time also debate the extent to which the fund is sufficiently capitalized in light of the number of claims that have been presented and may decide to further capitalize the fund or purchase a re-insurance layer if necessary to meet the obligations of the fund.

In terms of IFRS for SME's the Lost Advances Fund - Guardrisk Contingency Policy is classified as a financial asset. An asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. Therefore, the Guardrisk Lost Advances Fund - Contingency Policy is recognised in the accounts as an asset and measured at fair value through the income statement at the year-end of SATSA.

The performance bonus received at the end of the contract period is utilised to fund the premium for the next insurance period (refer to note 13).

23. Bad debts

Bad debts expense	-	253,633
Provision for bad debt adjustment	-	(195,297)
	<u>-</u>	<u>58,336</u>

24. Trade receivables

Gross trade receivables	675,638	718,871
Provision for bad debt	(207,096)	(301,691)
	<u>468,542</u>	<u>417,180</u>

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Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Adventure Tourism Project income		439,130	-
Advertising income		-	2,750
Atingi GIZ Project income		50,000	-
Chapter income		896,568	-
Conference income		546,360	421,000
Management fees (SATSA Tourism Business Incubator)		355,891	-
Membership fees		6,275,575	6,549,676
Roadshow income		2,173	9,216
Sponsorships received		567,391	350,000
Stand income		701,832	441,136
Training income		12,596	-
Western Cape market access income		-	558,403
	11	9,847,516	8,332,181
Other income			
Interest on staff loans		26,646	18,536
Lost Advances Fund - Guardrisk Contingency policy performance bonus		645,272	641,668
Sundry income		-	289,236
		671,918	949,440
Expenses (Refer to page 24)		(10,577,594)	(9,126,248)
Operating (loss) profit		(58,160)	155,373
Investment income	15	250,998	137,767
Finance costs	16	(5,342)	-
		245,656	137,767
Profit before taxation		187,496	293,140
Taxation	17	(148,272)	(255,003)
Profit for the year		39,224	38,137

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Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Operating expenses			
Administration and management fees		5,450	4,124
Adventure Tourism Project expenses		321,934	78,971
Advertising		621,362	528,100
Aid projects		3,500	-
Assessment rates & municipal charges		-	3,776
Atingi GIZ Project expenses		50,000	-
Auditors remuneration	18	124,013	204,026
Bad debts		-	58,336
Bank charges		20,944	23,670
Chapter expenses		108,011	24,694
Computer expenses		409,115	408,634
Conference expenses		244,811	338,295
Consulting and professional fees		1,820,000	1,624,193
Depreciation, amortisation and impairments		213,830	34,567
Employee costs		2,898,009	2,976,951
ExCo meeting costs		5,000	-
General expenses		2,776	-
International labour office expenses		-	73,500
Lease rentals on operating lease		25,200	22,051
Legal expenses		136,252	7,612
Levies		-	1,729
Loss on sale of assets and liabilities		-	14,844
Lost Advances Fund - Guardrisk contingency policy premium		699,730	649,480
Lost Advances Fund - fair value adjustments		24,433	35,159
Market access expenses		642,694	514,243
Member benefit lobbying		-	20,477
Postage		1,220	-
Printing and stationery		2,502	6,075
Promotions		502,749	202,981
Public relations and lobbying		143,851	156,498
Repairs and maintenance		-	4,890
Security		24,831	91,272
Staff welfare		12,715	10,019
Subscriptions		64,039	27,887
Telephone and fax		224,191	271,596
Training		78,178	39,205
Travel - local		614,591	415,874
Travel - overseas		55,651	14,975
Unreconciled differences		-	63,526
World Travel Market Africa Trade Show costs		476,012	174,018
		10,577,594	9,126,248

Southern Africa Tourism Services Association NPC

(Taxpayer reference number 9556299155)

(Registration number: 2003/006523/08)

Annual Financial Statements for the year ended 31 December 2023

Tax Computation

Figures in Rand	2023	2022
Net profit per income statement	187,496	293,140
Permanent differences (Non-deductible/Non taxable items)		
Write-off of unreconciled differences	-	63,526
Impairment of rental deposit	172,065	-
Fair value of the Lost Advances Fund	24,433	(35,159)
Reversal of fair value of Lost Advances Fund raised in prior year	-	589,217
Accounting loss on disposal of fixed and / or other assets	-	14,844
Depreciable asset allowance (scrapping allowance) (s11(o))	-	(14,844)
Capital expenditure - legal fees not deductible	136,252	-
Fines and penalties in respect of taxes	5,342	-
	338,092	617,584
Temporary differences		
Allowance for future expenditure (s24C)	(219,661)	-
Amounts previously taxed as received in advance	-	(440,625)
Amounts received in advance - current year	874,310	-
Depreciation according to financial statements	41,764	34,567
Doubtful debt allowance - IFRS not applied (s11(j)(ii)) - Current year allowance	(82,839)	(246,846)
Doubtful debt allowance - IFRS not applied (s11(j)(ii)) - Previous year reversal	246,846	196,221
Prepaid expenditure previously deducted in prior year	213,889	217,941
Prepaid expenditure not limited by s23H	(215,091)	(213,889)
Provision for doubtful debt not deductible in current year	207,096	301,691
Provisions not deductible current year - leave pay	285,292	210,147
Provisions not deductible current year - audit fees	108,950	86,950
Reversal of provisions previously raised prior year - leave pay	(210,147)	-
Reversal of provisions previously raised prior year - audit fees	(86,950)	(86,950)
Reversal of provisions for bad raised debt prior year	(301,691)	(496,988)
Wear and tear allowance (s11(e))	(41,764)	(34,567)
	820,004	(472,348)
Calculated tax profit for the year	1,345,592	438,376
Assessed loss utilised	(498,372)	(936,748)
Taxable income for 2023	847,220	(498,372)
Summary of assessed loss		
Calculated tax profit for the year	1,345,592	438,376
Assessed loss brought forward from previous year:	(498,372)	(936,748)
Higher of R 1 000 000 or Taxable income x 80%	(498,372)	(936,748)
Total assessed loss carried forward	-	-
Tax thereon @ 27% in the Rand	228,749	
Reconciliation of tax balance		

Southern Africa Tourism Services Association NPC

(Taxpayer reference number 9556299155)

(Registration number: 2003/006523/08)

Annual Financial Statements for the year ended 31 December 2023

Tax Computation

Figures in Rand	2023	2022
Tax owing/(prepaid) for the current year:		
Normal tax		
Per calculation	228,749	
1st provisional payment	-	
2nd provisional payment	-	
Other payments	-	
Amount owing/(prepaid) at the end of year	228,749	