



SOUTH AFRICAN HAJJ & UMRAH COUNCIL NATIONAL OFFICE

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22 November 2011

The South African Hajj and Umrah Council is pleased to present its Audited Annual Financial Statements for the year ended 31 March 2011.

**For and behalf of:
The South African Hajj and Umrah Council
Shaheen Essop
Secretary General**

National Executive: Imam Hashim Salie (President), Ebrahim Vawda (1st Deputy President), Qari Moosa Seedat (2nd Deputy President), Shaheen Essop (Secretary General), Ebrahim Simjee (Asst. Secretary General), Asif Essop (Treasurer), Farouk Adams (asst. Treasurer)

**South African Hajj and Umrah Council
Financial Statements
for the year ended 31 March 2011**

**Stenekamp and Mohamed Inc.
Chartered Accountants (S.A.)
Registered Auditor
Issued 16 September 2011**

South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

General Information

Country of Incorporation and domicile

South Africa

National General Council

Sheikh Thafier Najjaar (President)
Ebrahim Vawda (1st Deputy President)
Shaheen Essop (2nd Deputy President)
Moulana Abdul Fattaag Carr (Assistant Secretary)
Farouk Adams (National Treasurer)
Asif Essop (Assistant Treasurer)

Business address

Office No. 3
Cuppo Arcade
41 Central Road
Fordsburg
2033

Bankers

Habib Overseas Bank Limited
First National Bank Limited

Auditors

Stenekamp and Mohamed Inc.
Chartered Accountants (S.A.)
Registered Auditor



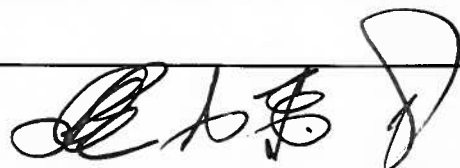
South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Index

The reports and statements set out below comprise the financial statements presented to the members:

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| The following supplementary information does not form part of the financial statements and is unaudited: | |
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Independent Auditor's Report

To the members of South African Hajj and Umrah Council

We have audited the financial statements of South African Hajj and Umrah Council, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the National Executive Committee's report as set out on pages 5 to 12.

Council's Responsibility for the Annual Financial Statements

The National General Council are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of South African Hajj and Umrah Council as at 31 March 2011, 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.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 13 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Stenekamp and Mohamed Inc.
Registered Auditor

16 September 2011

South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

National General Council's Responsibilities and Approval

The National General Council are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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 judgments and estimates.

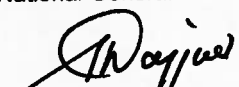
The National General Council acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the National General Council to meet these responsibilities, the National General Council 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 National General Council 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.


The National General Council are 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 reviewing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on page 3.

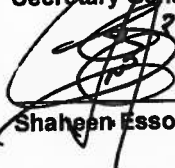
The financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the National General Council on 16 September 2011 and were signed on its behalf by:



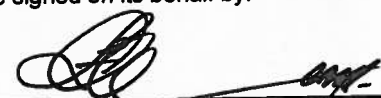
Sheikh Thafiq Najjar (President)



Moulana Abdul Fattaag Carr (Assistant Secretary General)



Shaheen Essop (2nd Deputy President)



Farouk Adams (National Treasurer)



Ebrahim Vawda (1st Deputy President)

South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

National General Council's Report

The National General Council submit their report for the year ended 31 March 2011.

1. Review of activities

Main business and operations

The organisation is engaged in facilitating South African Muslim pilgrims going for hajj with relevant Saudi Arabian Authorities. To manage and supervise the hajj operators delivering services during hajj. To ensure compliance with agreed protocols with Saudi Arabian Authorities, accreditation of hujjaaj for hajj and operates principally in South Africa and Saudi Arabia.

The operating results and state of affairs of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The 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.

3. Events after the reporting period

The National General Council are not aware of any matter or circumstance arising since the end of the financial year.

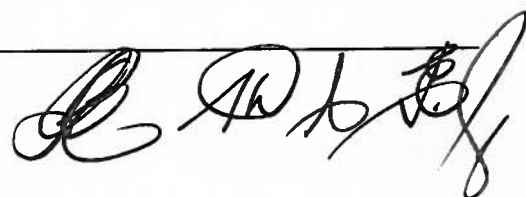
4. National General Council

The National General Council of the organisation during the year and to the date of this report are as follows:

| Name | Nationality | Changes |
|--|---------------|---------------------------|
| Sheikh Thafier Najjaar (President) | South African | Elected 26 May 2009 |
| Ebrahim Vawda (1st Deputy President) | South African | Re-elected 26 May 2009 |
| Shaheen Essop (2nd Deputy President) | South African | Elected 26 May 2009 |
| Ebrahim Ismail (Secretary General) | South African | Resigned 16 December 2010 |
| Moulana Abdul Fattaag Carr (Assistant Secretary General) | South African | Elected 26 May 2009 |
| Imam Hassim Salie (Treasurer) | South African | Resigned 16 May 2010 |
| Farouk Adams (National Treasurer) | South African | Elected 16 May 2010 |
| Asif Essop (Assistant Treasurer) | South African | Elected 16 May 2010 |

5. Auditors

Stenekamp and Mohamed Inc. will continue in office for the next financial period.

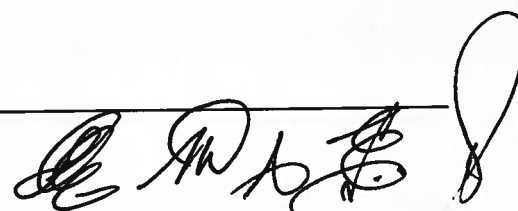


South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Statement of Financial Position

| Figures in Rand | Notes | 2011 | 2010 |
|-------------------------------------|-------|-------------------------|-------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | <u>33,409</u> | <u>43,079</u> |
| Current Assets | | | |
| Trade and other receivables | 3 | - | 4,000 |
| Cash and cash equivalents | 4 | <u>3,074,454</u> | <u>2,377,665</u> |
| | | <u>3,074,454</u> | <u>2,381,665</u> |
| Total Assets | | <u>3,107,863</u> | <u>2,424,744</u> |
| Equity and Liabilities | | | |
| Equity | | | |
| Accumulated surplus | | <u>3,048,012</u> | <u>2,340,321</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 5 | <u>59,851</u> | <u>84,423</u> |
| Total Equity and Liabilities | | <u>3,107,863</u> | <u>2,424,744</u> |

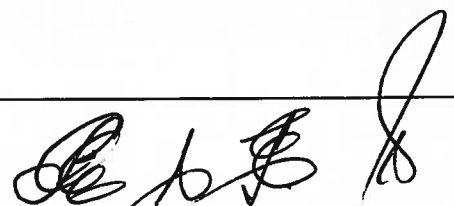


South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Statement of Comprehensive Income

| Figures in Rand | Notes | 2011 | 2010 |
|-----------------------------|-------|----------------|----------------|
| Revenue | | 3,718,791 | 3,577,001 |
| Other income | | - | 28,348 |
| Operating expenses | | (3,023,768) | (3,061,019) |
| Operating surplus | 6 | 695,023 | 544,330 |
| Investment revenue | 7 | 12,668 | 3,098 |
| Surplus for the year | | 707,691 | 547,428 |

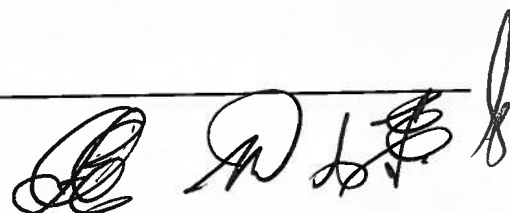


South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Statement of Changes in Equity

| Figures in Rand | Accumulated surplus |
|---------------------------------|-------------------------|
| Balance at 01 April 2009 | 1,792,893 |
| Changes in equity | |
| Surplus for the year | 547,428 |
| Total changes | <u>547,428</u> |
| Balance at 01 April 2010 | 2,340,321 |
| Changes in equity | |
| Surplus for the year | 707,691 |
| Total changes | <u>707,691</u> |
| Balance at 31 March 2011 | <u>3,048,012</u> |

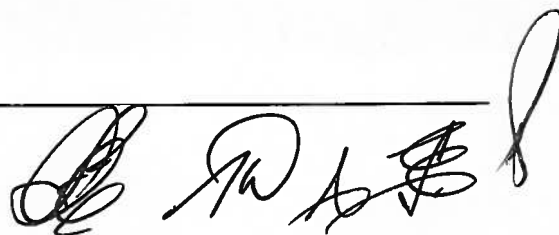


South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Statement of Cash Flows

| Figures in Rand | Notes | 2011 | 2010 |
|---|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 9 | 684,121 | 576,891 |
| Interest income | | 12,668 | 3,098 |
| Net cash from operating activities | | 696,789 | 579,989 |
| Total cash movement for the year | | 696,789 | 579,989 |
| Cash at the beginning of the year | | 2,377,665 | 1,797,676 |
| Total cash at end of the year | 4 | 3,074,454 | 2,377,665 |



South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The 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

The cost of 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 association; and
- the cost of the item can be measured reliably

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

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 | Depreciation rate |
|------------------------|-------------------|
| Furniture and fixtures | 16,67% |
| Office equipment | 20,00% |
| IT equipment | 33,33% |

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

1.2 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. 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. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.3 Employee benefits

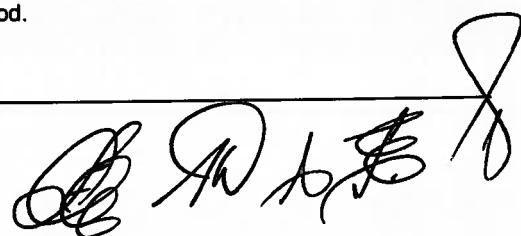
Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.4 Revenue

Gross revenue comprises mainly of registration levies which are accounted for on the cash basis.

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



South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

Figures in Rand 2011 2010

2. Property, plant and equipment

| | 2011 | | | 2010 | | |
|------------------------|----------------|--------------------------|----------------|----------------|--------------------------|----------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Furniture and fittings | 30,691 | (21,279) | 9,412 | 30,691 | (19,396) | 11,295 |
| Office equipment | 87,470 | (70,626) | 16,844 | 87,470 | (66,415) | 21,055 |
| IT equipment | 122,076 | (114,923) | 7,153 | 122,076 | (111,347) | 10,729 |
| Total | 240,237 | (206,828) | 33,409 | 240,237 | (197,158) | 43,079 |

Reconciliation of property, plant and equipment - 2011

| | Opening balance | Depreciation | Total |
|------------------------|-----------------|----------------|---------------|
| Furniture and fixtures | 11,295 | (1,883) | 9,412 |
| Office equipment | 21,055 | (4,211) | 16,844 |
| IT equipment | 10,729 | (3,576) | 7,153 |
| | 43,079 | (9,670) | 33,409 |

Reconciliation of property, plant and equipment - 2010

| | Opening balance | Depreciation | Total |
|------------------------|-----------------|-----------------|---------------|
| Furniture and fixtures | 13,555 | (2,260) | 11,295 |
| Office equipment | 25,569 | (4,514) | 21,055 |
| IT equipment | 16,093 | (5,364) | 10,729 |
| | 55,217 | (12,138) | 43,079 |

3. Trade and other receivables

| | | |
|-------------------|---|-------|
| Trade receivables | - | 4,000 |
|-------------------|---|-------|

4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|----------------------|------------------|------------------|
| Bank balances | 2,968,480 | 2,021,058 |
| Saudi Riyals on hand | 105,974 | 356,607 |
| | 3,074,454 | 2,377,665 |

5. Trade and other payables

| | | |
|------------------|--------|--------|
| Accrued expenses | 59,851 | 84,423 |
|------------------|--------|--------|

6. Operating surplus

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

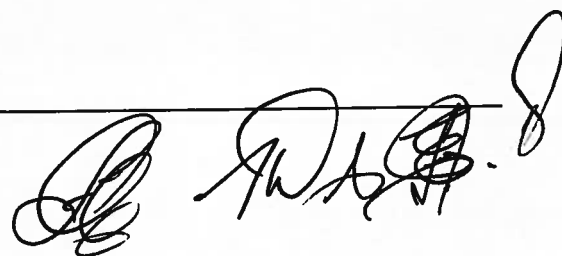
| | | |
|----------------|---------|---------|
| Depreciation | 9,670 | 12,138 |
| Employee costs | 258,138 | 193,545 |

South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

| Figures in Rand | 2011 | 2010 |
|--|----------------|----------------|
| 7. Investment revenue | | |
| Interest revenue | | |
| Bank | <u>12,668</u> | <u>3,098</u> |
| 8. Auditor's remuneration | | |
| Fees | <u>34,200</u> | <u>25,650</u> |
| 9. Cash generated from operations | | |
| Surplus before taxation | 707,691 | 547,428 |
| Adjustments for: | | |
| Depreciation | 9,670 | 12,138 |
| Interest received | (12,668) | (3,098) |
| Changes in working capital: | | |
| Trade and other receivables | 4,000 | (4,000) |
| Trade and other payables | (24,572) | 24,423 |
| | <u>684,121</u> | <u>576,891</u> |



South African Hajj and Umrah Council

Financial Statements for the year ended 31 March 2011

Detailed Income Statement

| Figures in Rand | Notes | 2011 | 2010 |
|----------------------------------|-------|------------------|------------------|
| Revenue | | | |
| Levies | | <u>3,718,791</u> | <u>3,577,001</u> |
| Other income | | | |
| Interest received | 7 | 12,668 | 3,098 |
| Islamic finance profit share | | - | 28,348 |
| | | <u>12,668</u> | <u>31,446</u> |
| Operating expenses | | | |
| Airport staff expenses | | 33,620 | 38,878 |
| Auditor's remuneration | 8 | 34,200 | 25,650 |
| Bank charges | | 8,316 | 14,114 |
| Commission paid | | - | 12,799 |
| Computer expenses | | 925 | 13,291 |
| Depreciation | | 9,670 | 12,138 |
| Employee costs | | 258,138 | 193,545 |
| Interest dispensed | | 15,149 | 120,000 |
| Legal expenses | | 1,500 | 2,850 |
| Meeting expenses | | 118,907 | 274,219 |
| Mission expenses | | 2,144,518 | 1,928,786 |
| Postage, printing and stationery | | 2,212 | 2,670 |
| Rent, electricity and water | | 111,207 | 131,540 |
| Repairs and maintenance | | - | 2,378 |
| Roadshow Hajj | | 71,256 | 60,133 |
| Software development | | 160,124 | 128,918 |
| Telephone and fax | | 54,026 | 99,110 |
| | | <u>3,023,768</u> | <u>3,061,019</u> |
| Surplus for the year | | <u>707,691</u> | <u>547,428</u> |

