

**The Federated Hospitality Association of Southern Africa (Inland Region)
NPO**

(Registration number NPO No. 056-371)

**Annual financial statements
for the year ended 29 February 2020**

Issued 29 July 2020

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To enhance and promote the development and growth of an open account, stable and sustainable South African hospitality trading environment
Directors	SW Cilliers * I Monyepao ** M Letsoalo ** R Phinn ** R Cloete-Anderson ** C Ungersbock * P van Rooyen * J Maulgue ** L Nel * T Overbeck * * Co-Opted ** Elected
Registered office and business address	Surrey Circle Office Park 337 Surrey Avenue Ferndale Randburg 2125
Postal address	P. O. Box 1986 Randburg 2125
Auditors	BVA Gauteng Inc Chartered Accountants (SA) Registered Auditors P.O. Box 13024 Northmead 1501
Company registration number	NPO No. 056-371
Tax reference number	9039139184
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: N. Gouws Professional Accountant (S.A.)
Issued	29 July 2020

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Index

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

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 17
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	18

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 Standards 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 Standards 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 board of directors 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 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 28 February 2021 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.

Approval of annual financial statements

Director

Director

Independent Auditor's Report

To the members of The Federated Hospitality Association of Southern Africa (Inland Region) NPO

Opinion

We have audited the annual financial statements of The Federated Hospitality Association of Southern Africa (Inland Region) NPO set out on pages 8 to 17, which comprise the statement of financial position as at 29 February 2020, 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 The Federated Hospitality Association of Southern Africa (Inland Region) NPO as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) (IRBA Code (Revised January 2018)), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (IRBA Code (Revised November 2018)) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Code (Revised January 2018), the IRBA Code (Revised November 2018) and in accordance with other ethical requirements applicable to performing audits in South Africa. Sections 290 and 291 of the IRBA Code (Revised January 2018) are consistent with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. Parts 1 and 3 of the IRBA Code (Revised November 2018) are consistent with parts 1 and 3 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 Directors' Report as required by the Companies Act 71 of 2008, 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.

Independent Auditor's Report

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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, 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.

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.

BVA Gauteng Inc
Chartered Accountants (S.A.)
Registered Auditors

29 July 2020
Johannesburg

Per: Graham Cornelissen
Chartered Accountant (S.A.)
Registered Auditor

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 29 February 2020.

1. Nature of business

The Federated Hospitality Association of Southern Africa (Inland Region) NPO was incorporated in South Africa with interests in the Tourism industry. The organisation operates in South Africa.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

3. Directors

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

Directors

SW Cilliers *

I Monyepao **

M Letsoalo **

R Phinn **

R Cloete-Anderson **

C Ungersbock *

P van Rooyen *

J Maulgue **

L Nel *

T Overbeck *

* Co-Opted

** Elected

4. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the organisation had an interest and which significantly affected the business of the organisation.

5. Events after the reporting period

The entity is aware that on the 5th of March 2020 South Africa recorded its first positive case of the coronavirus. On the 11th of March 2020, the World Health Organization ('WHO') declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. On the 15th of March 2020, the South African President declared the pandemic a National State of Disaster and on the 23rd of March 2020, a national lockdown was ordered in terms of the Disaster Management Act, 57 of 2002 from the 26th of March 2020.

This order was subsequently extended to 30 April 2020. On 01 May 2020 limited restrictions were lifted based on publications.

There is uncertainty of the timeline as to when the lock-down will be lifted completely. It is expected that the entity will be negatively impacted as a result.

Furthermore, in light of the fact that the impact of the pandemic cannot easily be determined, management is assessing the ever-changing landscape and its impact on the entity on a regular basis ensuring decisive actions are taken under these circumstances, and that the entity remains a going concern and it's expected to recover from the effects of the pandemic (COVID-19).

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

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Directors' Report

6. Going concern

The directors believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the organisation. 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 organisation.

7. Auditors

BVA Gauteng Inc continued in office as auditors for the organisation for 2020.

At the AGM, the directors will be requested to reappoint BVA Gauteng Inc as the independent external auditors of the organisation and to confirm Mr Graham Cornelissen as the designated lead audit partner for the 2021 financial year.

8. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on Wednesday, 29 July 2020. No authority was given to anyone to amend the financial statements after the date of issue.

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Position as at 29 February 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	14,491	9
Other financial assets	3	208,750	-
		223,241	9
Current Assets			
Trade and other receivables	4	63,749	171,705
Cash and cash equivalents	5	1,090,738	1,231,096
		1,154,487	1,402,801
Total Assets		1,377,728	1,402,810
Equity and Liabilities			
Equity			
Retained income		1,216,680	1,283,280
Liabilities			
Current Liabilities			
Trade and other payables	6	161,048	119,530
Total Equity and Liabilities		1,377,728	1,402,810

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue	7	2,249,386	2,213,216
Other income	8	31,120	92,399
Operating expenses		(2,427,345)	(2,247,415)
Operating (loss) profit		(146,839)	58,200
Investment income	9	47,400	82,863
Fair value adjustments	10	32,839	30,887
Finance costs	11	-	(2,082)
(Loss) profit for the year		(66,600)	169,868

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 1 March 2018	1,113,412	1,113,412
Profit for the year	169,868	169,868
Balance at 1 March 2019	1,283,280	1,283,280
Loss for the year	(66,600)	(66,600)
Balance at 29 February 2020	1,216,680	1,216,680

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash receipts from customers		2,435,862	2,115,626
Cash paid to suppliers and employees		(2,430,320)	(2,185,702)
Cash generated from (used in) operations	13	5,542	(70,076)
Interest income		47,400	82,863
Finance costs		-	(2,082)
Net cash from operating activities		52,942	10,705
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(17,389)	-
Sale of financial assets		(175,911)	30,887
Net cash from investing activities		(193,300)	30,887
Total cash movement for the year		(140,358)	41,592
Cash at the beginning of the year		1,231,096	1,189,503
Total cash at end of the year	5	1,090,738	1,231,095

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

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 Standards for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible 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.

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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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	6 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years

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.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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.

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1.2 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. 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 without undue cost or effort 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, without undue cost or effort, are measured at fair value through profit and 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.

1.3 Tax

Tax expenses

The entity is exempt from tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act and has been approved by the South African Revenue Services.

It is required that the entity should be re-accredited as a tax exempt body by the South African Revenue Services on an annual basis upon receipt of the annual income tax return, and certain conditions being met.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill 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.

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1.5 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.6 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 measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.7 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.

1.8 Borrowing costs

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

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	1,307	(1,307)	-	1,307	(1,306)	1
IT equipment	88,596	(74,105)	14,491	71,207	(71,199)	8
Computer software	12,302	(12,302)	-	12,302	(12,302)	-
Total	102,205	(87,714)	14,491	84,816	(84,807)	9

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	1	-	(1)	-
IT equipment	8	17,389	(2,906)	14,491
	9	17,389	(2,907)	14,491

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	1	-	1
IT equipment	1,581	(1,573)	8
	1,582	(1,573)	9

3. Other financial assets

At amortised cost

FEDHASA National	208,750	-
This loan bears no interest and has no terms of repayment.		

Non-current assets

At amortised cost	208,750	-
-------------------	---------	---

4. Trade and other receivables

Trade receivables	42,441	129,859
Deposits	21,138	21,138
VAT	-	20,708
Other receivables	170	-
	63,749	171,705

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	(13)	698
Nedbank Unit Trusts	970,376	1,200,237
ABSA Bank Cheque Account	120,375	30,161
	1,090,738	1,231,096

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
6. Trade and other payables		
Trade payables	42,301	45,262
Amounts received in advance	2,668	-
VAT	10,812	8,909
Other payables	-	6,750
Leave pay accrual	35,872	38,167
Payroll accruals	23,564	20,442
Accrued audit fees	33,534	-
Deposits received	12,297	-
	161,048	119,530
7. Revenue		
Membership fees	2,249,386	2,213,216
8. Other income		
Golf day income	30,870	57,563
Sponsorship	-	18,696
Workshop	250	9,784
Sundry income	-	6,356
	31,120	92,399
9. Investment income		
Interest received		
Bank	47,400	82,863
10. Fair value adjustments		
Nedbank Unit Trusts	32,839	30,887
11. Finance costs		
Bank	-	2,082
12. Auditor's remuneration		
Fees	58,593	25,000
13. Cash generated from (used in) operations		
(Loss) profit before taxation	(66,600)	169,868
Adjustments for:		
Depreciation and amortisation	2,907	1,573
Interest received	(47,400)	(82,863)
Finance costs	-	2,082
Fair value adjustments	(32,839)	(30,887)
Movements in provisions	-	(40,454)
Changes in working capital:		
Trade and other receivables	107,956	(76,081)
Trade and other payables	41,518	(13,314)
	5,542	(70,076)

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
14. Related parties		
Relationships		
Affiliated entities		Fedhasa Kwazulu Natal Fedhasa National Fedhasa Cape
Related party balances and transactions with other related parties		
Related party balances		
Loan accounts - Owing (to) by related parties		
FEDHASA National	208,750	-
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Fedhasa Kwazulu Natal	(1,594)	(3,004)
Fedhasa National	-	(4,247)
Fedhasa Cape	-	1
Related party transactions		
Purchases from (sales to) related parties		
Fedhasa Cape	-	(16,844)

15. 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.

16. Events after the reporting period

The entity is aware that on the 5th of March 2020 South Africa recorded its first positive case of the coronavirus. On the 11th of March 2020, the World Health Organization ('WHO') declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. On the 15th of March 2020, the South African President declared the pandemic a National State of Disaster and on the 23rd of March 2020, a national lockdown was ordered in terms of the Disaster Management Act, 57 of 2002 from the 26th of March 2020. This order was subsequently extended to 30 April 2020. On 01 May 2020 limited restrictions were lifted based on publications.

There is uncertainty of the timeline as to when the lock-down will be lifted completely. It is expected that the entity will be negatively impacted as a result.

Furthermore, in light of the fact that the impact of the pandemic cannot easily be determined, management is assessing the ever-changing landscape and its impact on the entity on a regular basis ensuring decisive actions are taken under these circumstances, and that the entity remains a going concern and it's expected to recover from the effects of the pandemic (COVID-19).

The annual financial statements were authorised for issue on 29 July 2020 by the board of directors of the company.

The Federated Hospitality Association of Southern Africa (Inland Region) NPO

(Registration number: NPO No. 056-371)

Annual Financial Statements for the year ended 29 February 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Membership fees		2,249,386	2,213,216
Other income			
Golf day income		30,870	57,563
Sponsorships		-	18,696
Workshops		250	9,784
Other income		-	6,356
Interest received	9	47,400	82,863
Fair value adjustments	10	32,839	30,887
		111,359	206,149
Expenses			
		(2,427,345)	(2,247,415)
Operating expenses			
Accounting fees		90,921	88,353
Advertising		22,050	46,579
Auditors remuneration	12	58,593	25,000
Bank charges		37,414	35,161
Cleaning		3,453	3,648
Computer expenses		6,634	5,117
Consulting and professional fees		92,478	95,680
Depreciation, amortisation and impairments		2,907	1,573
Donations		300	-
Employee costs		1,505,242	1,408,481
Fines and penalties		9,780	-
Food safety program		-	8,769
Gifts & Donation		3,650	4,536
Golf day expenses		-	51,030
Insurance		10,160	8,703
Internet expenses		1,724	-
Lease rentals on operating lease		180,954	176,707
License renewals		-	2,442
Meetings and events		58,567	70,399
Municipal expenses		16,103	13,608
Postage		535	1,035
Printing and stationery		2,204	3,106
Provision for doubtful debts		136,314	(4,777)
Repairs and maintenance		1,309	6,185
Security		4,199	3,674
Staff welfare		18,018	12,771
Telephone and fax		86,004	95,376
Tourism - Indaba		27,037	18,063
Travel - local		50,795	65,935
Website		-	261
		2,427,345	2,247,415
Operating (loss) profit		(66,600)	171,950
Finance costs	11	-	(2,082)
(Loss) profit for the year		(66,600)	169,868