



HAROON TAKOLIA & CO
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Public Accountants and Auditors

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**QUALIFIED REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
MADREESAH - ZIA - UL - BADR**

MUHTARAM

Assalaamu Alaikum

We have examined the annual financial statements set out on pages 2 to 4. These financial statements are the responsibility of the Executive Committee. Our responsibility is to report on these financial statements.

Scope

We conducted our audit in accordance with South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements,
- assessing the accounting principles used and the significant estimates made by management, and
- evaluating the appropriateness of the overall financial statement presentation.


We consider that our audit procedures were appropriate in the circumstance to express our opinion presented below.

Qualification

In common with similar organisations, it is not feasible for the Organisation to institute accounting controls over income prior to the initial entry of income in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Audit Opinion

Except for the effects of any adjustments which might have been necessary had it been possible for us to extend our examination of income and cash expenses, in our opinion, the financial statements fairly present the financial position of the Organisation at 28 February 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting practice.


Chartered Accountants (S.A.)
12 April, 2001

MADRESSAH - ZIA - UL - BADR
 BALANCE SHEET AT
 28 FEBRUARY 1999

	Note	LILLAH R	ZAKAAT R	TOTAL
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	2	1917009	-	1917009
Investments	3	1,762,009	-	1,762,009
		155,000	-	155,000
CURRENT ASSET				
Cash and cash equivalents	4	19,816	5,921	25,737
TOTAL ASSETS		<u>1,936,825</u>	<u>5,921</u>	<u>1,942,746</u>
RESERVES				
RESERVES				
Accumulated funds		1,936,825	5,921	1,942,746
TOTAL RESERVES		<u>1,936,825</u>	<u>5,921</u>	<u>1,942,746</u>

MADRESSAH - ZIA - UL - BADR
 INCOME STATEMENT FOR THE YEAR
 28 FEBRUARY 1999

	<u>LILLAH</u> R	<u>ZAKAAT</u> R	<u>TOTAL</u>
INCOME	271,085	197,075	468,160
EXPENDITURE AND DISTRIBUTION	267,106	241,287	508,393
Bank charges	896	1,297	2,193
Depreciation	2,505	-	2,505
Hostel expenses	106,709	239,990	346,699
Insurance	3,000	-	3,000
Rates, water and electricity	83,802	-	83,802
Salaries and wages	70,194	-	70,194
NET SURPLUS / (DEFICIT) for the year	3,979	(44,212)	(40,233)
ACCUMULATED FUNDS at beginning of the year	1,932,846	50,133	1,982,979
ACCUMULATED FUNDS at end of the year	<u>1,936,825</u>	<u>5,921</u>	<u>1,942,746</u>

	LILLAH R	ZAKAAT R	TOTAL R
1. ACCOUNTING POLICIES			
The financial statements are prepared on the historical cost basis, consistent with previous years and incorporate the following principle accounting policies:			
1.1 Fixed assets			
Land and buildings are not depreciated. Furniture and equipment are depreciated at 10% p.a. on the reducing balance method.			
1.2 Income and Expenditure			
Income and expenditure are brought to account as and when recorded and incurred respectively.			
2. FIXED ASSETS	<u>1,762,009</u>	-	<u>1,762,009</u>
Furniture and equipment	22,550	-	22,550
book value at beginning of the year	25,055	-	25,055
depreciation	(2,505)	-	(2,505)
Land and buildings	1,739,459	-	1,739,459
at costs	420,000	-	420,000
improvements capitalised	1,319,459	-	1,319,459
Erf 1365, 1366, 1369, 1371, 1373 and 1374 Jeppestown Township, measuring 1982 (one thousand and eighty two) square metres, acquired on 25 June 1982. Fixed assets are depreciated as stated in note 1.			
3. INVESTMENTS			
Loan investment in associate company. MEGJ Properties (Pty) Ltd	<u>155,000</u>	-	<u>155,000</u>
4. CASH AND CASH EQUIVALENTS	<u>19,816</u>	<u>5,921</u>	<u>25,737</u>
Cash at bank	19,394	5,921	25,315
Petty cash	422	-	422