

MADRESSAH ZIA - UL BADR
(ASSOCIATION INCORPORATED UNDER SECTION 21)
REGISTRATION NO: 1991/002206/08
ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2002

BALANCE SHEET FILE

The following report and statements are presented :

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APPROVAL

The financial statements were approved by the Council of Theologians on 30 September, 2002 and are signed by them.

A rectangular box containing several handwritten signatures in black ink. The signatures are stylized and overlapping. One signature on the left is particularly large and circular. Another signature in the middle has the word 'with' written above it. The signatures are arranged horizontally across the box.

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) COUNCIL
) MEMBERS
)
)

**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 5. 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 2002 and the results of its operations for the year then ended in conformity with generally accepted accounting practice.

Huwon Jalealia Tlo
Chartered Accountants (S.A.)

30 September, 2002

MADRESSAH ZIA - UL BADR
BALANCE SHEET AT
28 FEBRUARY 2002

2.

	Notes	LILLAH R	ZAKAAT R	TOTAL R
<u>ASSETS</u>				
NON-CURRENT ASSET				
Fixed assets	2	1,975,899	-	1,975,899
Investment	3	1,820,899	-	1,820,899
		155,000	-	155,000
CURRENT ASSETS				
Cash and cash equivalents		98,374	185,883	284,257
TOTAL ASSETS		<u>2,074,273</u>	<u>185,883</u>	<u>2,260,156</u>
<u>RESERVES AND LIABILITY</u>				
RESERVES				
Accumulated funds		2,034,273	185,883	2,220,156
NON-CURRENT LIABILITY				
Property loan		40,000	-	40,000
TOTAL RESERVES AND LIABILITY		<u>2,074,273</u>	<u>185,883</u>	<u>2,260,156</u>

MADRESSAH ZIA - UL BADR
 INCOME STATEMENT FOR THE YEAR ENDED
 28 FEBRUARY 2002

3.

	<u>LILLAH</u> R	<u>ZAKAAT</u> R	<u>TOTAL</u>
INCOME	491,321	468,344	959,665
Hostel income	262,500	-	262,500
Lillah income	200,525	-	200,525
Maintenance income	27,589	-	27,589
Zakaat income	-	468,230	468,230
Interest income	707	114	821
EXPENDITURE AND DISTRIBUTION	470,003	288,189	758,192
Bank charges	3,981	1,119	5,100
Depreciation	1,826	-	1,826
Hostel expenses	96,435	287,070	383,505
Insurance	3,150	-	3,150
Printing and stationery	997	-	997
Rates, water and electricity	131,583	-	131,583
Repairs and maintenance	42,795	-	42,795
Salaries and wages	186,736	-	186,736
Sundry expenses	2,500	-	2,500
NET SURPLUS for the year	21,318	180,155	201,473
ACCUMULATED FUNDS at beginning of the year	2,012,955	5,728	2,018,683
ACCUMULATED FUNDS at end of the year	<u>2,034,273</u>	<u>185,883</u>	<u>2,220,156</u>

MADRESSAH ZIA - UL BADR
NOTES TO THE FINANCIAL STATEMENTS
28 FEBRUARY 2002

<u>LILLAH</u> R	<u>ZAKAAT</u> R	<u>TOTAL</u> R
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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>1,820,899</u>	<u>-</u>	<u>1,820,899</u>
Furniture and equipment	16,440	-	16,440
book value at beginning of the year	18,266	-	18,266
depreciation	(1,826)	-	(1,826)
Land and buildings	1,739,459	-	1,739,459
at cost	420,000	-	420,000
improvements capitalised	1,319,459	-	1,319,459
Erf 1365, 1366, 1369, 1371, 1373 and 1374 Jeppestown Township, measuring 1,982 (one thousand nine hundred and eighty two) square metres, acquired on 25 June 1982.			
Land and buildings			
at cost	65,000	-	65,000
Erf 1367, 1368, 1370, Jeppestown Township, measuring 991 (nine hundred and ninety one) square metres, acquired on 10 October 2001 The Association is in the process of taking transfer of the above property. Legal and transfer costs have not been accounted for(suspensive loan)			

Fixed assets are depreciated as stated in note 1.

MADRESSAH ZIA - UL BADR
NOTES TO THE FINANCIAL STATEMENTS

5.

28 FEBRUARY 2002

(Continued)

	LILLAH R	ZAKAAT R	TOTAL R
3. <u>LOAN RECEIVABLE</u> Loan investment in associate company, MEGJ Properties (Proprietary) Limited.	<u>155,000</u>	<u>-</u>	<u>155,000</u>
4. <u>PROPERTY LOAN</u> M Chopdat This loan is unsecured, interest free and no arrangements have been made regarding repayments thereof.	<u>40,000</u>	<u>-</u>	<u>40,000</u>