

MADRESSAH ZIA - UL BADR
(ASSOCIATION INCORPORATED UNDER SECTION 21)
REGISTRATION NO: 1991/002206/08
ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2006


WORKING PAPERS 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 August, 2006 and are signed by them.

)
)
) COUNCIL
) MEMBERS
)
)

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

ASSALAMU-ALAIKUM

We have audited the annual financial statements as set out on pages 2 to 4 for the year ended 28 February, 2006. These financial statements are the responsibility of the Executive Committee. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

Except as discussed in the following paragraph, we conducted our audit in accordance with South African Auditing Standards. Those 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 believe that our audit provides a reasonable basis for our opinion.

Qualification

In common with similar organisations, it is not feasible for the Institution to institute accounting controls over cash collections 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.

Qualified audit opinion

In our 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 beyond receipts actually recorded, in our opinion, these financial statements fairly present the financial position of the Institution at 28 February, 2006 and the results of its operations for the year then ended in conformity with generally accepted accounting practice.


Chartered Accountants (S.A.)
30 August, 2006

MADRESSAH ZIA - UL BADR
 BALANCE SHEET AT
 28 FEBRUARY 2006

2.

	Notes	LILLAH R	ZAKAAT R	TOTAL R
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	2	232,315	-	232,315
Investment	3	67,315	-	67,315
		165,000	-	165,000
CURRENT ASSETS				
Cash and cash equivalents		302,069	102,645	404,714
TOTAL ASSETS		<u>534,384</u>	<u>102,645</u>	<u>637,029</u>
RESERVES				
RESERVES				
Accumulated funds		534,384	102,645	637,029
TOTAL RESERVES		<u>534,384</u>	<u>102,645</u>	<u>637,029</u>

MADRESSAH ZIA - UL BADR
 INCOME STATEMENT FOR THE YEAR ENDED
 28 FEBRUARY 2006

3.

	LILLAH R	ZAKAAT R	TOTAL R
INCOME	366,623	584,500	951,123
Hostel income	-	584,500	584,500
Lillah income	366,623	-	366,623
EXPENDITURE AND DISTRIBUTION	559,412	377,167	936,579
Bank charges	267	-	267
Cleaning expenses	842	-	842
Depreciation	1,198	-	1,198
Electricity and water	15,000	-	15,000
Hostel expenses	-	377,167	377,167
Insurance	8,402	-	8,402
Legal fees	10,000	-	10,000
Qurbani expenses	97,129	-	97,129
Repairs and maintenance	162,537	-	162,537
Salaries, wages and contributions	256,690	-	256,690
Security expenses	2,541	-	2,541
Staff training and welfare	4,806	-	4,806
NET SURPLUS for the year	(192,789)	207,333	14,544
ACCUMULATED FUNDS at beginning of the year	519,840	435,054	954,894
Interactivity amount transfer	207,333	(539,742)	(332,409)
ACCUMULATED FUNDS at end of the year	534,384	102,645	637,029

LILLAH
R

ZAKAAT
R

TOTAL
R

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis, consistent with prior 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 into account as and when recorded and incurred respectively.

2. FIXED ASSETS

Furniture and equipment
 book value at beginning of the year
 additions
 depreciation

Land and buildings
 at nominal value

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 nominal value
 Erf 1367, Jeppestown Township,
 measuring 248 (two hundred and
 forty eight) square metres, acquired
 on 10 October 2001.
 Fixed assets are depreciated as stated in
 note 1.

	67,315	-	67,315
	67,313	-	67,313
	11,986	-	11,986
	56,525	-	56,525
	(1,198)	-	(1,198)
	1	-	1
	1	-	1

3. INVESTMENT

Loan investment in associate company.
 MEGJ Properties (Proprietary) Limited.

165,000

165,000