

MADRESSAH ZIA - UL BADR  
(ASSOCIATION INCORPORATED UNDER SECTION 21)  
REGISTRATION NO: 1991/002206/08  
ANNUAL FINANCIAL STATEMENTS  
PBO: 930022993  
29 FEBRUARY 2016

WORKING PAPERS FILE

The following report and statements are presented

<u>CONTENTS</u>	<u>PAGE</u>
Report of the independent auditors	1
Balance sheet	2
Income statement	3
Notes to the financial statements	4 - 5

APPROVAL

The financial statements were approved by the Council of Theologians on 15 April, 2016 and are signed by them.

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COUNCIL  
MEMBERS

**Independent Auditor's Report**  
**To the Council Members of**  
**Madressah Zia – UI Badr**

We have audited the accompanying annual financial statements of Madressah Zia – UI Badr, which comprises the balance sheet as at 28 February 2016, the income statement for the year then ended as set out on pages 2 to 5.

**Council Members Responsibility for the Financial Statements**

The Council Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes designing, implementation and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors 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 (ISRE2400). 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 select depend on auditor's judgements, including the assessment of the risks of material misstatement of the financial statements, whether due fraud or error. In making those risks 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 the committee members, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide as basis for our audit opinion.

**Qualifications**

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

**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, these financial statements fairly present the financial position of the Association 28 February 2016 and the results of it's operations for the year then ended in conformity with generally accepted accounting practice.

  
Chartered Accountants (S.A.)

Registered Accountants and Auditors

Johannesburg

15 April 2016

MADRESSAH ZIA - UL BADR  
BALANCE SHEET AT  
29 FEBRUARY 2016

2.

	<u>Notes</u>	<u>LILLAH</u> R	<u>ZAKAAT</u> R	<u>TOTAL</u> R
<u>ASSETS</u>				
NON-CURRENT ASSETS		1 218 554	-	1 218 554
Fixed assets	2	107 554	-	107 554
Investments in subsidiary	3	1 111 000	-	1 111 000
CURRENT ASSETS				
Cash and cash equivalents		5 654 015	967 005	6 621 020
TOTAL ASSETS		<u>6 872 569</u>	<u>967 005</u>	<u>7 839 574</u>
<u>RESERVES</u>				
RESERVES				
Accumulated funds		6 872 569	967 005	7 839 574
TOTAL RESERVES		<u>6 872 569</u>	<u>967 005</u>	<u>7 839 574</u>

**MADRESSAH ZIA - UL BADR**  
**INCOME STATEMENT FOR THE YEAR ENDED**  
**29 FEBRUARY 2016**

3.

	Notes	LILLAH R	ZAKAAT R	TOTAL R
INCOME		9 857 387	4 287 738	9 857 387
Banquet income		3 649 808	-	3 649 808
Building fund income		152 450	-	152 450
Donations received		1 111 000	-	1 111 000
Frail care income		635 043	-	635 043
Hostel income		1 782 815	-	1 782 815
Lillah income		1 980 865	-	1 980 865
Property income - rental		377 106	-	377 106
Qurbani income		168 300	-	168 300
Zakaat income		-	4 287 738	4 287 738
EXPENDITURE AND DISTRIBUTION		3 867 603	3 385 328	7 252 931
Banquet expenses		648 176	-	648 176
Building fund expenses		79 810	-	79 810
Cleaning material		36 776	-	36 776
Depreciation		24 511	-	24 511
Electricity, water and utilities		662 860	-	662 860
Jalsa expenses		33 200	-	33 200
Insurance		52 010	-	52 010
Hostel expenses		655 107	-	655 107
Printing, postage and stationery		7 227	-	7 227
Qurbani expenses		183 750	-	183 750
Repairs and maintenance		276 669	-	276 669
Mothers home - renovations		113 707	-	113 707
Salaries, wages and contributions		1 057 749	-	1 057 749
Sundry expenses		3 784	-	3 784
Telecommunications		21 267	-	21 267
Travel and accomodation		11 000	-	11 000
Welfare expenses	4	-	3 385 328	3 385 328
NET SURPLUS for the year		5 989 784	902 410	6 892 194
ACCUMULATED FUNDS				
at beginning of the year		882 785	64 595	947 380
at end of the year		<u>6 872 569</u>	<u>967 005</u>	<u>7 839 574</u>

<u>LILLAH</u>	<u>ZAKAAT</u>	<u>TOTAL</u>
R	R	R

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act, 1973. The financial statements have been 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, all additions and acquisitions during the year under review are written off and shown at nominal value.

Fixed assets are depreciated on the straight line basis at the following rates :

Furniture and equipment	10% p. a.
Computer equipment	33.3% p. a.

**1.2 Income and Expenditure**

Income and expenditure are brought into account as and when recorded and incurred respectively.

**2. FIXED ASSETS**

	107 551	-	107 551
Furniture and equipment	103 198	-	103 198
book value at beginning of the year	125 537	-	125 537
depreciation	(22 339)		(22 339)
Computer equipment	4 351	-	4 351
additions	6 523	-	6 523
depreciation	(2 172)	-	(2 172)
Land and buildings			
at nominal values	1	-	1

**2.1 MASJID**

Erf 1372, 1375, and 1376, Jeppestown Township, measuring 998 (nine hundred and ninety eight) square metres acquired on 28 February 2000.

**2.2 HOSTEL**

Erf 1371, 1373, and 1374, Jeppestown Township, measuring 998 (nine hundred and ninety eight) square metres acquired on 25 June 1982.

**2.3 FRAIL CARE CENTRE**

Erf 1365, 1366, and 1369, Jeppestown Township, measuring 998 (nine hundred and ninety eight) square metres acquired on 25 June 1982.

**2.4 DARUL HIFZ COMPLEX**

Erf 1367, 1368, and 1370, Jeppestown Township, measuring 998 (nine hundred and ninety eight) square metres acquired on 10 October 2001.

Stand 1137, 1138, 1139, 1140, 1141 and 1952 vacant land.

Fixed assets are depreciated as stated in note 1.

Stand 1137, 1138, 1139, 1140, 1141 and 1952 vacant land.	1		1

MADRESSAH ZIA - UL BADR  
NOTES TO THE FINANCIAL STATEMENTS  
29 FEBRUARY 2016  
(Continued)

5.

	<u>LILLAH</u> R	<u>ZAKAAT</u> R	<u>TOTAL</u> R
<u>2. FIXED ASSETS</u> (Continued)	<u>3</u>	<u>-</u>	<u>3</u>
2.5 Erf 1295, 126, and 1299 Jeppestown at nominal values Vacant Land	1	-	1
2.6 Erf 1132, 1135, and 1136 Jeppestown at nominal values House	1	-	1
2.7 Erf 667 City and Suburban Township at nominal values Vacant Land	1	-	1
<u>3. INVESTMENT IN SUBSIDIARY</u>			
Singatha Properties 46 (Proprietary) Limited	1 111 000	-	1 111 000
Shares at cost - 100% holding	100	-	100
Loan Account	1 110 900	-	1 110 900
<u>4. WELFARE EXPENSES</u>			
These expenses were incurred for under priviliged students, and maintained at the hostel.			
<u>5. TAXATION</u>			
No provision has been made as the centre has been approved as a public benefits organisation in terms of section 30 of the Income Tax Act and the receipts and accruals in terms of section 10(1) (cN) of the act..			