

**THE PAROW MUSLIM COMMUNITY TRUST**  
**(Registration number IT 1071/2008)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Trustees</b>	F A Q Kader N M Fakie A R Ashtiker M F Pangarker F Salie M R Parker
<b>Registered office</b>	c/o L A Dalvie & Associates Unit 1 Rabat Village Vangate City Athlone 7764
<b>Business address</b>	1 Wendy Way Panorama Parow 7506
<b>Reviewer</b>	Mazars Registered Auditor
<b>Trust registration number</b>	IT 1071/2008
<b>Level of assurance</b>	These financial statements have been independently reviewed in compliance with the applicable requirements of the Trust Property Control Act 57 of 1988.
<b>Issued</b>	<u>26 May 2023</u>

**The Parow Muslim Community Trust**  
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The reports and statements set out below comprise the financial statements presented to the trustees:

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**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Trustees' Responsibilities and Approval**

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The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the trust 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 Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

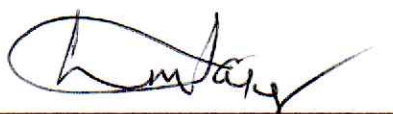
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees are satisfied that the trust has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The independent reviewers are responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external independent reviewers and their report is presented on pages 4-5.

The annual financial statements and supplementary information set out on page, which have been prepared on the going concern basis, were approved by the board of trustees on 25 MAY 2023 and were signed on its behalf by:



Trustee



Trustee

## Independent Reviewer's Report

28 February 2023

*To the of The Parow Muslim Community Trust*

### Report on the Review of the Financial Statements

We have reviewed the financial statements of The Parow Muslim Community Trust, set out on pages 6 to 15, which comprise the statement of financial position as at 28 February 2023 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 financial statements, including a summary of significant accounting policies.

#### Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

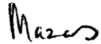
The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Ninan (CEO), C Abrahamse, SJ Adlam, JM Barnard, AK Batt, T Beukes, WI Blake, HL Burger, MJ Cassan, JC Combrink, JR Comley, GJ De Beer, TVDL De Vries, G Deva, Y Dockrat, DS Dollman, S Doolabh, A Driscoll, CP Du Plessis, J Du Plessis, M Edelberg, JJ Eloff, T Erasmus, B Ferreira, Y Ferreira, MH Fisher, T Gangen, M Groenewald, J Heathcote-Hacker, K Hoosain, MY Ismail, B Jansen, J Kasan, D Keeve, CN Kelton, J Marais, N Mayat, B Mbunge, FN Miller, G Molyneux, A Moruck, R Murugan, S Naidoo, GJ Oberholster, MG Odendaal, MC Olckers, W Olivier, MV Patel, M Pieterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, MA Salee, E Sibanda, MR Snow, SM Solomon, W Sterley, EM Steyn, HH Swanepoel, AL Swartz, DM Tekie, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, L van Jaarsveldt, R van Molendorff, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of The Parow Muslim Community Trust as at 28 February 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Trust Property Control Act 57 of 1988.



**Mazars**  
**Partner: Mansoor Salee**  
**Registered Auditor**  
**26 May 2023**  
**Cape Town**

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Statement of Financial Position as at 28 February 2023**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	18,249,086	14,246,959
<b>Current Assets</b>			
Trade and other receivables	3	72,290	97,480
Cash and cash equivalents	4	1,175,606	1,548,158
		<b>1,247,896</b>	<b>1,645,638</b>
<b>Total Assets</b>		<b>19,496,982</b>	<b>15,892,597</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	5	1,099,899	1,484,553
Non distributable reserves		18,249,086	14,246,959
		<b>19,348,985</b>	<b>15,731,512</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	147,997	137,587
Current tax payable		-	23,498
		<b>147,997</b>	<b>161,085</b>
<b>Total Equity and Liabilities</b>		<b>19,496,982</b>	<b>15,892,597</b>

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
Revenue	7	4,728,497	5,659,225
Other income		1,399,699	653,469
Operating expenses		(2,513,242)	(1,899,185)
<b>Operating surplus</b>		<b>3,614,954</b>	<b>4,413,509</b>
<b>Surplus before taxation</b>		<b>3,614,954</b>	<b>4,413,509</b>
Taxation	8	2,519	-
<b>Surplus for the year</b>		<b>3,617,473</b>	<b>4,413,509</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>3,617,473</b>	<b>4,413,509</b>



**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Non-distributable reserves</b>	<b>Trust capital</b>	<b>Total equity</b>
<b>Balance at 01 March 2021</b>	<b>6,798,588</b>	<b>4,519,415</b>	<b>11,318,003</b>
Surplus for the year		4,413,509	4,413,509
Transfer to non-distributable reserve	7,448,371	(7,448,371)	
<b>Total changes</b>	<b>7,448,371</b>	<b>(3,034,862)</b>	<b>4,413,509</b>
<b>Balance at 01 March 2022</b>	<b>14,246,959</b>	<b>1,484,553</b>	<b>15,731,512</b>
Surplus for the year		3,617,473	3,617,473
Transfer to non-distributable reserve	4,002,127	(4,002,127)	
<b>Total changes</b>	<b>4,002,127</b>	<b>(384,654)</b>	<b>3,617,473</b>
<b>Balance at 28 February 2023</b>	<b>18,249,086</b>	<b>1,099,899</b>	<b>19,348,985</b>

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	9	3,741,684	4,419,925
Tax paid	10	(20,979)	-
<b>Net cash from operating activities</b>		<b>3,720,705</b>	<b>4,419,925</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(4,093,257)	(7,482,069)
<b>Total cash movement for the year</b>		<b>(372,552)</b>	<b>(3,062,144)</b>
Cash at the beginning of the year		1,548,158	4,610,300
<b>Total cash at end of the year</b>	4	<b>1,175,606</b>	<b>1,548,156</b>

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Accounting Policies**

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**1. Basis of preparation and summary of significant accounting policies**

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 trust 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 carried at cost less accumulated depreciation and accumulated impairment losses.

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.

Property are carried at cost and is not depreciated.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Buildings	Straight line	3-10 years
Furniture and fixtures	Straight line	3-5 years
Leasehold improvements	Straight line	3 years

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 surplus or deficit when the item is derecognised.

**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 surplus or deficit) 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 trade receivables, trade payables and other assets as identified. 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.

### **1.3 Tax**

#### **Current tax assets and liabilities**

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense

### **1.4 Impairment of assets**

The trust assesses at each reporting date whether there is any indication that assets may be impaired.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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 surplus or deficit.

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 surplus or deficit.

### **1.5 Revenue**

Revenue comprises donations received, fundraising income, subscriptions, rental income, investment income, and excludes value added taxation. Donations are recognised once received.

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Notes to the Financial Statements**

Figures in Rand	2023	2022
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**2. Property, plant and equipment**

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	17,557,568	-	17,557,568	14,118,402	-	14,118,402
Furniture and fixtures	994,527	(306,473)	688,054	379,396	(250,840)	128,556
Leasehold improvements	143,864	(140,400)	3,464	140,302	(140,301)	1
<b>Total</b>	<b>18,695,959</b>	<b>(446,873)</b>	<b>18,249,086</b>	<b>14,638,100</b>	<b>(391,141)</b>	<b>14,246,959</b>

**Reconciliation of property, plant and equipment - 2023**

	Opening balance	Additions	Depreciation	Closing balance
Buildings	14,118,402	3,439,166	-	17,557,568
Furniture and fixtures	128,556	650,529	(91,031)	688,054
Leasehold improvements	1	3,562	(99)	3,464
	<b>14,246,959</b>	<b>4,093,257</b>	<b>(91,130)</b>	<b>18,249,086</b>

**Reconciliation of property, plant and equipment - 2022**

	Opening balance	Additions	Depreciation	Closing balance
Buildings	6,681,968	7,436,434	-	14,118,402
Furniture and fixtures	116,619	45,635	(33,698)	128,556
Leasehold improvements	1	-	-	1
	<b>6,798,588</b>	<b>7,482,069</b>	<b>(33,698)</b>	<b>14,246,959</b>

**Details of properties**

**Erf 24750 Parow**

Situated at 1 Wendy Way, Panorama.

- Purchase price	4,560,000	4,560,000
- Additions since purchase	12,997,568	9,558,402
	<b>17,557,568</b>	<b>14,118,402</b>

**3. Trade and other receivables**

Trade receivables	164,615	150,045
Provision for doubtful donations	(104,025)	(53,265)
Deposit	700	700
Sundry receivables	11,000	-
	<b>72,290</b>	<b>97,480</b>

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Notes to the Financial Statements**

<b>Figures in Rand</b>	<b>2023</b>	<b>2022</b>
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	7,031	4,127
Bank balances	425,334	1,484,658
Short-term deposits	743,241	27,092
Investment account	-	32,281
	<b><u>1,175,606</u></b>	<b><u>1,548,158</u></b>
<b>5. Trust capital</b>		
Balance at beginning of year	1,484,553	4,519,415
Surplus transferred from the statement of comprehensive income	3,617,473	4,413,509
Transfer to non-distributable reserve	(4,002,127)	(7,448,371)
	<b><u>1,099,899</u></b>	<b><u>1,484,553</u></b>
<b>6. Trade and other payables</b>		
Trade payables	77,492	49,577
Madressa donations received in advance	69,005	88,010
Zakaat Control Account	1,000	-
Deposits received	500	-
	<b><u>147,997</u></b>	<b><u>137,587</u></b>
<b>7. Revenue</b>		
Masjid maintenance donations	281,846	342,793
Madressa donations	772,150	605,250
Building donations	2,599,538	4,096,451
Jumah, Eid and other donations	1,074,963	614,731
	<b><u>4,728,497</u></b>	<b><u>5,659,225</u></b>
<b>8. Taxation</b>		
<b>Major components of the tax income</b>		
<b>Current taxation</b>		
South African normal tax - prior period	(2,519)	-
<b>Non provision of tax</b>		
No provision has been made for 2023 tax as the trust has no taxable income.		

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Notes to the Financial Statements**

Figures in Rand	2023	2022
<b>9. Cash generated from operations</b>		
Surplus before taxation	3,614,954	4,413,509
<b>Adjustments for:</b>		
Depreciation and amortisation	91,130	33,698
<b>Changes in working capital:</b>		
Trade and other receivables	25,190	(92,280)
Trade and other payables	10,410	64,998
	<b><u>3,741,684</u></b>	<b><u>4,419,925</u></b>
<b>10. Tax paid</b>		
Balance at beginning of the year	(23,498)	(23,498)
Current tax for the year recognised in profit	2,519	-
Balance at end of the year	-	23,498
	<b><u>(20,979)</u></b>	<b><u>-</u></b>

**11. Financial assets by category**

The accounting policies for financial instruments have been applied to the line items below:

**2023**

	Loans and receivables	Total
Trade and other receivables	72,290	72,290
Cash and cash equivalents	1,174,505	1,174,505
	<b><u>1,246,795</u></b>	<b><u>1,246,795</u></b>

**2022**

	Loans and receivables	Total
Trade and other receivables	97,480	97,480
Cash and cash equivalents	1,548,158	1,548,158
	<b><u>1,645,638</u></b>	<b><u>1,645,638</u></b>

**12. Financial liabilities by category**

The accounting policies for financial instruments have been applied to the line items below:

**2023**

	Financial liabilities at amortised cost	Total
Trade and other payables	147,995	147,995
	<b><u>147,995</u></b>	<b><u>147,995</u></b>

**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Notes to the Financial Statements**

Figures in Rand	2023	2022
<b>12. Financial liabilities by category (continued)</b>		
<b>2022</b>		
	Financial liabilities at amortised cost	Total
Trade and other payables	137,587	137,587

**13. Going concern**

The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient funds to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees 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 trust.

**14. Events after the reporting period**

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

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**The Parow Muslim Community Trust**  
**(Registration number: IT 1071/2008)**  
**Financial Statements for the year ended 28 February 2023**  
**Detailed Income Statement**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Masjid maintenance donations		281,846	342,793
Jummah, eid and other donations		1,074,963	614,731
Madressa donations		772,150	605,250
Building donations		2,599,538	4,096,451
	7	<b>4,728,497</b>	<b>5,659,225</b>
<b>Other income</b>			
Early Learning Centre fees		84,500	-
Rental Income - Masjid maintenance donations		68,000	58,250
Fundraising		361,591	11,800
Operating expense recoveries		15,650	-
Investment income		16,994	52,294
Outreach donations		852,964	531,125
		<b>1,399,699</b>	<b>653,469</b>
<b>Operating expenses</b>			
Accounting fees		4,520	2,157
Bank charges		28,587	43,691
Cleaning		60,381	16,598
Commission paid		1,939	-
Consulting and professional fees		18,000	-
Consumables		2,750	-
Depreciation, amortisation and impairments		91,130	33,698
Employee costs		903,518	805,306
Insurance		40,314	43,949
Lease rentals on operating lease		56,387	38,128
Movement in provision for unrecovered costs		50,760	(112,231)
Other expenses		8,511	15,069
Outreach projects		826,380	536,781
Remuneration of independent reviewer		11,500	11,500
Repairs and maintenance		45,459	39,191
Security		114,312	42,899
Subscriptions		3,800	-
Telephone and internet		2,979	6,216
Textbooks		21,353	-
Printing and stationery		6,042	32,310
Unrecovered Madressah costs		28,040	169,996
Utilities		186,580	173,927
		<b>2,513,242</b>	<b>1,899,185</b>
<b>Surplus before taxation</b>		<b>3,614,954</b>	<b>4,413,509</b>
Taxation	8	2,519	-
<b>Surplus for the year</b>		<b>3,617,473</b>	<b>4,413,509</b>