

A.C.M. IFHAAM & Co.,

Chartered Accountants



#11, Station Road, Bambalapitiya, Colombo - 04, Sri Lanka.
Tel : 2554 550, 2559 362, 2583 913 E-mail : acmi@sltnet.lk

A.C.M. Ifhaam ACA, ASCMA, BBA.LLB, Attorney-at-Law

INDEPENDENT AUDITORS' REPORT

To THE MEMBERS OF CEYLON BAITHULMAL FUND (INC),

Report on the Financial Statements.

We have audited the accompanying financial statements of Ceylon Baithulmal Fund (Inc), Colombo. Which comprise the Balance Sheet as at December 31, 2010 and the Statement of Income & Expenditure, for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Treasurer's Responsibility for the Financial Statements

The Treasurer is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimate that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Ceylon Baithulmal Fund (Inc), Colombo, maintained proper accounting records for the year ended December 31, 2010 and the financial statements give a true and fair view of the Charitable organization's state of affairs as at December 31, 2010 and its net surplus for the year then ended.

Report on other legal and regulatory requirements

These financial statements also comply with the requirements of sections 153(2) to 153(7) as appropriate of the Companies Act No. 07 of 2007.

ACM Ifhaam & Co

Chartered Accountants.
June 17, 2011
Colombo,

CEYLON BAIATHULMAL FUND INC
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2010

	Note	31.12.2010	31.12.2009
		Rs	Rs
Revenue	1	2,406,018.83	2,580,840.85
Administration Expenses	2	(720,958.83)	(684,340.12)
Personnel Expenses	3	(1,191,509.95)	(1,141,846.00)
Operating Expenses	4	(46,981.28)	(42,716.91)
Surplus of Income over Expenditure for the year		446,568.77	711,937.82
50th Anniversary Income	5	-	45,000.00
Total Surplus Transferred to Accumulated Fund		446,568.77	756,937.82

Note 14

Zakath Movement	Balance as at 01.01.2010	January - December 2010		Balance as at 31.12.2010	January - December 2009		Balance as at 31.12.2009
		Additions	Distributions		Net	Additions	
CBF Relief Fund	1,935,549.00	5,094,499.94	3,903,163.00	1,119,336.94	4,872,093.00	4,183,140.00	688,953.10
CBF Scholarship Fund	4,706,782.00	4,744,733.94	3,537,000.00	5,914,515.94	2,692,782.00	-	2,692,782.00
CBF Vocational Training Fund	3,244,772.00	1,890,000.00	831,910.00	4,002,862.00	935,587.00	428,065.00	507,522.10
CBF Rehabilitation Fund	1,133,750.00	2,170,300.00	974,800.00	2,329,250.00	1,921,150.00	787,400.00	1,133,750.00
CBF Sewing Machine Fund	322,000.00	2,297,150.00	2,178,000.00	441,150.00	1,120,000.00	798,000.00	322,000.00
Total	11,342,853.00	15,896,683.88	11,424,873.00	15,814,663.88	11,541,612.00	6,196,605.00	5,345,007.10

Note. 14.1

General Zakath has been Transferred to CBF Relief Fund

CBF Relief Distribution - 2010	Amount
Monthly Relief Assistance	1,507,951.00
Marriage Assistance Rs. 7,500 x 207	1,552,500.00
Scholarship Uni-Old Scheme	205,000.00
Administration Charges	636,812.00
Spectacles	900.00
Total	3,903,163.00

CBF Relief Distribution - 2009	Amount
Monthly Relief Assistance	1,470,384.00
Marriage Assistance Rs. 7,500 x 202	1,517,500.00
Scholarship Uni-Old Scheme	666,833.00
Administration Charges	528,423.00
Spectacles	-
Total	4,183,140.00

Note. 14.1.a

Presently Administration Charges are Based on Collection Received During the year only for CBF Relief Fund.
Rs. 5,094,499.94 x 1/8 = 636,812.00



CEYLON BAITHULMAL FUND INC
BALANCE SHEET AS AT 31ST DECEMBER 2010

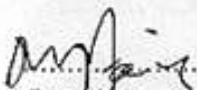
ASSETS

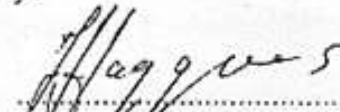
	Note	31.12.2010	31.12.2009
Non Current Assets			
Property, Plant & Equipment	06	9,899,995.16	9,824,006.57
Investments	07	14,415,972.05	11,004,956.92
Total Non Current Assets		24,315,967.21	20,828,963.49
Current Assets			
Receivables	08	608,793.13	834,116.24
Deposits, Advance & Prepayments	09	7,543.00	57,542.92
Cash & Cash Equivalents	10	19,773,336.65	16,609,407.94
Total Current Assets		20,389,672.78	17,501,067.10
Total Assets		44,705,639.99	38,330,030.59

EQUITY & LIABILITIES

Accumulated Fund		22,934,396.65	20,789,550.37
Transferred to Zakath Account		-	(372,206.00)
Transferred From Building Fund A/C		-	1,389,000.00
Surplus of Income over Expenditure for the year		446,568.77	756,937.82
Surplus / (Deficit) of Receipts & Payment for the year	11	587,653.00	371,114.46
Total Equity		23,968,618.42	22,934,396.65
Non Current Liabilities			
Building Fund Account	12	-	-
Specific Fund	13	3,746,390.03	2,709,297.28
SSI Auditorium Fund		1,075,000.00	1,075,000.00
		4,821,390.03	3,784,297.28
Current Liabilities			
Zakath Fund	14	15,814,663.88	11,342,853.00
Other Payables	15	-	65,000.00
Accrued Expenses	16	100,967.66	203,483.66
		15,915,631.55	11,611,336.66
Total Funds & Liabilities		44,705,639.99	38,330,030.59

The Members of the Management Committee are responsible for the preparation & presentation of these Financial Statement. Signed for and on behalf of the Committee by.


.....
President
June 17, 2011


.....
Hony Treasurer
June 17, 2011



CEYLON BAITHULMAL FUND

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2010

1.1 General Policies

Ceylon Baithulmal Fund (INC) - CBF is an approved charitable organization and its main task is to collect funds & distribute same according to the Islamic law. Ceylon Baithulmal Fund was incorporated in 1976 by the Act No. 9 of 1976. The office of CBF is located at no, 44A, Haig road, Colombo 04.

1.2 Basis of Preparation

The Balance Sheet and Statement of Income & Expenditure, together with Accounting Policies and Notes, ("Financial Statements") of the CBF as at December 31- 2010 and for the year then ended, comply with the Sri Lanka Accounting Standards.

These Financial Statements Presented in Sri Lanka Rupees have been prepared on a historical cost basis.

These Financial Statements are prepared on the assumption that the CBF is a going concern, i.e. as continuing in operation for the future. It is therefore assumed that the CBF has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.

1.3 Post Balance Sheet Events

Fixed Deposit at Amana Investment Ltd	30,872,576.00
(-) Baithulmal Administration Fund	(3,000,000.00)
() Proposed Commitments after the Balance Sheet Date	(25,922,500.00)
	1,950,076.00

Particulars	One Year (2011)	More than one year	Total
Marriage Assistance (Rs. 7,500 x 20 Marriages x 11 Months)	1,650,000.00		1,650,000.00
CBF Scholarship Fund			
CBF University Old Scheme	147,500.00	50,000.00	197,500.00
CBF University Scholarship Fund			
Rs. 2,500 x 75 Students x 12 Month (2011)	2,250,000.00		2,250,000.00
Rs. 2,500 x 50 Students x 06 Month (2012)		750,000.00	750,000.00
Rs. 2,500 x 15 Students x 18 Month (2012 & 6 Months of 2013)		675,000.00	675,000.00
Rs. 2,500 x 10 Students x 30 Month (2012, 2013 & 6 Months of 2014)		750,000.00	750,000.00
Rs. 2,500 x 50 Students x 3 Years (For Prospective Batch)		4,500,000.00	4,500,000.00
CBF Sewing Machine Fund (Rs. 18,000 x 150 Machine)	2,700,000.00		2,700,000.00
CBF Relief Fund (Rs. 125,000 x 12 Months)	1,500,000.00		1,500,000.00



CEYLON BAITHULMAL FUND

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2010

CBF Advanced Level Scholarships Fund

Rs. 1,500 x 75 Students x 08 Month for A/L 2011 Batch	900,000.00	900,000.00
Rs. 1,500 x 75 Students x 12 Month for A/L 2011 Batch	1,350,000.00	1,350,000.00
Rs. 1,500 x 75 Students x 2 Years (For Prospective Batch)	2,700,000.00	2,700,000.00
CBF Vocational Training Fund (Out of the above Rs. 1,100,000/= has been Committed for year 2011 to Mawanella Technical Training Institute.)	2,500,000.00	2,500,000.00
CBF Rehabilitation Fund	2,500,000.00	2,500,000.00
CBF Village Programme Fund	1,000,000.00	1,000,000.00
	16,497,500.00	9,425,000.00
		25,922,500.00

1.4 Taxation

Taxation has not been provided as CBF is an approved charity and exempt from income tax as per the Section 7 (e) (i) of the Inland Revenue Act No. 10 of 2006.

2 Valuation of Assets

2.1 Receivables

Receivables are stated at the amounts they are estimated to realize inclusive of provision for bad and doubtful debts.

2.2 Property, Plant & Equipment

2.2.1 Cost/Valuation

Property, Plant and Equipment are recorded at cost (or valuation) less accumulated depreciation, which is provided for on the basis specified in 2.2.2 below. The cost of Property, Plant and Equipment is the cost of purchase or construction together with any incidental expenses thereon.

2.2.2 Depreciation

The provision for depreciation is calculated on the cost or valuation of all Property, Plant and Equipment other than freehold land, in order to write off such amounts over the estimated useful lives by equal installments as follows:

<u>Assets</u>	<u>Period</u>
Office Equipment	08 years
Furniture & Fittings	08 years
Sewing Machine	08 years
Computers	04 years
Fans	08 years
Pantry Equipment	08 years

Depreciation is provided when the assets are put into use until retirement / de-recognition



CEYLON BAITHULMAL FUND

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2010

2.3 Investments

Investments represent the funds invested at Amana Investments and the investment income is reinvested with them.

3 Liabilities & Provisions

CBF maintains a separate fund into which a sum equivalent to EPF contributions is invested and does not make any contribution towards EPF and ETF. Provisions are not made for gratuity. CBF has been exempted from the requirements under the Section 10 of the EPF Act No. 15 of 1958.

4 Income Statement

4.1 Income

Income represents the amounts derived from donations and investment income. This also includes the handling charges of Zakath receipts (as per Note 14.1.a) and amounts derived from other income generating projects of the CBF.

4.2 Revenue and Expenses

Revenue is accounted for on an accrual basis and matched with related expenditure.

All expenditure incurred in the running of the CBF and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to revenue in arriving at the net income or expenditure for the year.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.



CEYLON BAITHULMAL FUND INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

	31.12.2010	31.12.2009
	Rs	Rs
01 Revenue		
Administration Charges (Note 14.1.a)	636,812.49	528,423.38
CBF Handling Charges	622,892.00	610,966.75
Income on Investments	1,145,364.34	1,436,850.72
Other Income	950.00	4,600.00
	2,406,018.83	2,580,840.85
02 Administration Expenses		
Advertisements	8,662.00	22,358.00
Building Maintenance	135,660.50	41,657.00
Computer Maintenance	79,750.00	109,450.00
Depreciation	117,860.69	101,499.42
Electricity Charges	54,995.00	64,411.50
Miscellaneous Expenses	36,874.34	41,270.00
Municipal Rates	38,808.00	38,808.00
Office Equipment Maintenance	50,637.80	73,258.00
Postage & Telegrams	68,184.00	59,188.00
Printing & Stationery	32,462.50	33,931.20
Telephone Charges	85,102.00	84,025.00
Travelling Expenses	9,602.00	8,511.00
Water Charges	2,360.00	5,973.00
	720,958.83	684,340.12
03 Personnel Expenses		
Salaries & Wages, Allowance	897,988.25	863,912.00
Staff Fund contribution	75,183.00	87,228.00
Staff Ramazan Allowance	65,000.00	60,000.00
Staff Welfare	103,338.70	130,706.00
Staff Retirement Benefit	50,000.00	-
	1,191,509.95	1,141,846.00
04 Operating Expenses		
Bank charges	17,313.30	9,783.91
Debit Tax	29,667.98	32,933.00
	46,981.28	42,716.91
05 50th Anniversary Income		
Anniversary Income	-	45,000.00
Anniversary Expenses	-	-
	-	45,000.00



CEYLON BAITHULMAL FUND INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

06 Property Plant & Equipment

Cost	Balance as at 01.01.2010 Rs.	Additions During The Year Rs.	Disposals During The Year Rs.	Balance as at 31.12.2010 Rs.
Land & Building	9,581,615.00	71,000.00	-	9,652,615.00
Office Equipment	466,318.75	20,249.25	-	486,568.00
Furniture & Fittings	184,347.00	-	-	184,347.00
Computers	65,600.00	18,600.00	-	84,200.00
Fans	39,242.00	-	-	39,242.00
Pantry Equipment	10,797.75	84,000.00	-	94,797.75
	<u>10,347,920.50</u>	<u>193,849.25</u>	<u>-</u>	<u>10,541,769.75</u>

Accumulated Depreciation		Balance as at 01.01.2010 Rs.	Depreciation For The Year Rs.	Depreciation For Disposals Rs.	Balance as at 31.12.2010 Rs.
Office Equipment	12.5%	279,137.49	59,511.85	-	338,649.34
Furniture & Fittings	12.5%	144,709.40	23,043.38	-	167,752.78
Computers	25.0%	60,443.75	19,113.00	-	79,556.75
Fans	12.5%	33,365.25	4,905.25	-	38,270.50
Pantry Equipment	12.5%	6,258.04	11,287.18	-	17,545.22
		<u>523,913.93</u>	<u>117,860.66</u>	<u>-</u>	<u>641,774.59</u>
Written Down Value		<u>9,824,006.57</u>			<u>9,899,995.16</u>



CEYLON BAITHULMAL FUND INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

	31.12.2010	31.12.2009
	Rs	Rs
07 Investment		
Amana Investment Limited - 1-1182-10-1	14,375,076.44	10,823,218.26
Investment-Staff Fund	40,895.61	181,738.66
	14,415,972.05	11,004,956.92
08 Receivables		
Debtors	18,000.00	40,271.00
Expo Lanka	-	50,470.25
Srilanka Scholarship Fund Bahrain	22,271.00	-
Qard Hassana - II	354,800.00	533,100.00
Staff Loan	213,722.13	210,274.99
	608,793.13	834,116.24
09 Deposits, Advance & Prepayments		
Electricity Deposits	3,500.00	3,500.00
Sri Lanka Telecom (Internet)	4,043.00	4,042.92
Pantry Cupboard	-	50,000.00
	7,543.00	57,542.92
10 Cash & Cash Equivalents		
Cash in Hand	32,419.20	68,227.69
Cash at Bank	10.1 19,740,917.45	16,541,180.25
	19,773,336.65	16,609,407.94
10.1 Cash at Bank		
Commercial Bank - 1106000882	486,119.08	599,378.28
Habib Bank Ltd	87.60	87.60
Hatton National Bank - 1150001244	1,054,529.87	282,642.73
Hatton National Bank - 039010128509 CU	745,755.18	811,829.87
B.O.C A/C No 0000718768	354,321.85	588,636.03
HSBC 007-312796-001	602,603.87	308,605.74
Amana Investment Limited	10.2 16,497,500.00	13,950,000.00
	19,740,917.45	16,541,180.25

10.2 Part of the Investment in Amana Investment Limited has been shown under cash and cash equivalents since that part to be withdrawn within the next financial year to meet the commitments as disclosed in the Accounting Policies Note No 1.3 (Total amount of the investment in Amana Investment Limited as at 31.12.2010 was Rs. 30,872,576.44)



CEYLON BAITHULMAL FUND INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

	31.12.2010	31.12.2009
	Rs	Rs
11 Receipts		
Donation Received	550,653.00	268,858.46
Sadaquah Received	193,200.00	277,250.00
	<u>743,853.00</u>	<u>546,108.46</u>
Less :- Payments		
Qard Hassana Expenses	11.1 119,200.00	132,000.00
Donations Paid	25,000.00	30,000.00
Sadaquah Paid	12,000.00	12,994.00
	<u>156,200.00</u>	<u>174,994.00</u>
Surplus of Receipts & Payment for the year	<u>587,653.00</u>	<u>371,114.46</u>
11.1 Qard Hassana Expenses		
Facility Salary	119,200.00	132,000.00
	<u>119,200.00</u>	<u>132,000.00</u>
12 Building Fund Ac		
Balance B/F	-	1,389,000.00
Less Transferred to Accumulated Fund A/C	-	(1,389,000.00)
	<u>-</u>	<u>-</u>



CEYLON BAITHULMAL FUND INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

	31.12.2010 Rs	31.12.2009 Rs
13 Specific Fund Accounts		
H.S Ismail Scholarship fund	141,900.00	141,900.00
S.S Issadeen Scholarship fund	618,562.06	179,562.06
Asma Trust Fund	151,868.50	238,669.50
Amana Fund	1,036,265.72	1,063,265.72
Muslim Aid	10,500.00	10,500.00
Specific Donation	485,389.00	163,400.00
Expo Lanka	209,904.75	-
A.K. I. Fund	600,000.00	600,000.00
Special Zakath Account	270,000.00	90,000.00
A.M. I. Fund	222,000.00	222,000.00
	<u>3,746,390.03</u>	<u>2,709,297.28</u>
14 Refer to Page No. 02		
15 Other Payables		
Hussain & Sons A/C	-	65,000.00
	<u>-</u>	<u>65,000.00</u>
16 Accrued Expenses		
Salary Payables	2,595.00	2,595.00
Telephone	5,511.66	7,450.00
Electricity	1,855.00	11,300.00
Staff Retirement Benefit Payable	50,000.00	-
Staff Fund	40,896.00	181,738.66
Water	110.00	400.00
	<u>100,967.66</u>	<u>203,483.66</u>

