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**Escott
Aston**
CHARTERED ACCOUNTANTS

**The Islamic Egyptian Society of
NSW Inc.**

Financial Statements
For the Year Ended 31st December, 2003

Phillip R. Escott F.C.A.

David G. Aston C.A.

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW)

The Islamic Egyptian Society of NSW Inc.

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The Islamic Egyptian Society of NSW Inc.
Members of the Committee
For the year ended 31 December, 2003

The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the Income and Expenditure Statement, Statement of Financial Position, and Notes to the Financial Statements:

1. Presents fairly the financial position of The Islamic Egyptian Society of NSW Inc. as at 31 December, 2003 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President

(Acting)

Treasurer

The Islamic Egyptian Society of NSW Inc.
Statement of Financial Position As At 31 December, 2003

	Note	2003	2002
Current Assets			
Cash assets	2	151,562.96	75,824.83
Receivables	3	<u>59,800.00</u>	<u>61,487.58</u>
Total Current Assets		<u>211,362.96</u>	<u>137,312.41</u>
Non-Current Assets			
Receivables	3	146,400.00	163,200.00
Other financial assets	4	<u>105.90</u>	<u>105.90</u>
Total Non-Current Assets		<u>146,505.90</u>	<u>163,305.90</u>
Total Assets		<u>357,868.86</u>	<u>300,618.31</u>
Net Assets		<u>357,868.86</u>	<u>300,618.31</u>
Members' Funds			
Reserves		135,156.37	135,156.37
Retained profits		<u>222,712.49</u>	<u>165,461.94</u>
Total Members' Funds		<u>357,868.86</u>	<u>300,618.31</u>

The Islamic Egyptian Society of NSW Inc.
Statement of Financial Performance
For the year ended 31 December, 2003

	Note	2003	2002
Profit from ordinary activities before income tax		57,250.55	1,392.66
Income tax revenue relating to ordinary activities		0.00	0.00
Net profit attributable to members of the association		<u>57,250.55</u>	<u>1,392.66</u>
Total changes in equity of the association		<u>57,250.55</u>	<u>1,392.66</u>
Opening retained profits		165,461.94	164,069.28
Net profit attributable to members of the company		<u>57,250.55</u>	<u>1,392.66</u>
Closing retained profits		<u>222,712.49</u>	<u>165,461.94</u>

The Islamic Egyptian Society of NSW Inc.
Notes to the Financial Statements
For the year ended 31 December, 2003

Note 1: Statement of Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act and the following Australian Accounting Standards:

AAS 3:	Accounting for Income Tax (Tax-effect Accounting)
AAS 5:	Materiality
AAS 8:	Events Occurring After Reporting Date
AAS 17:	Leases

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Income tax

The association adopts the liability method of tax-effect accounting whereby the income tax expense shown in the income and expenditure statement is based on the operating profit before income tax adjusted for any permanent differences.

Non-member income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

(b) Fixed Assets

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The Islamic Egyptian Society of NSW Inc.
Notes to the Financial Statements
For the year ended 31 December, 2003

	2003	2002
Note 2: Cash assets		
Bank accounts:		
- Main Account	4,819.49	4,679.84
- Centre Fund Account	146,743.47	71,034.99
Other cash items:		
- Cash on hand	0.00	110.00
	<u>151,562.96</u>	<u>75,824.83</u>
Note 3: Receivables		
Current		
Amounts receivable from:		
- Arkana College current account	42,000.00	44,687.58
- Arkana College mortgage	16,800.00	16,800.00
Loan - member	1,000.00	0.00
	<u>59,800.00</u>	<u>61,487.58</u>
Non-Current		
Amounts receivable from		
- Arkana College mortgage	146,400.00	163,200.00
	<u>146,400.00</u>	<u>163,200.00</u>
Note 4: Other Financial Assets		
Non-Current		
Muslim Community Co-operative	105.90	105.90
	<u>105.90</u>	<u>105.90</u>

The Islamic Egyptian Society of NSW Inc.
Notes to the Financial Statements
For the year ended 31 December, 2003

2003

2002

Note 5: Property, Plant and Equipment

Plant and equipment:

- At cost	0.00	6,586.00
- Less: Accumulated depreciation	0.00	(6,586.00)
	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>

The Islamic Egyptian Society of NSW Inc.
Independent Audit Report

Scope

We have audited the attached financial report, being a special purpose financial report comprising the Statement by Members of the Committee, Statement of Financial Position, Statement of Financial Performance and Notes to the Financial Statements for the year ended 31 December 2003 of The Islamic Egyptian Society of NSW Inc. The Committee is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Incorporations Act NSW and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of The Islamic Egyptian Society of NSW Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial statements have been prepared for the purpose of fulfilling the requirements of the Associations Incorporation Act NSW. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.


Qualification

In view of the nature of the income received it was not practicable to maintain control over donations and other fund raising income until initial entry in to the accounting records. Accordingly, our audit in relation to these activities was limited to amounts recorded. However, internal controls are in place to ensure that where possible all monies received are banked and properly accounted for.

Audit Opinion

In our opinion, the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of The Islamic Egyptian Society of NSW Inc. as at 31 December 2003 and the results of its operations for the year then ended.

Signed on:

 3 MAY 2004.

David Aston, Partner
Escott Aston
Chartered Accountants
291 Belmore Road, Riverwood NSW 2210

The Islamic Egyptian Society of NSW Inc.
Detailed Income & Expenditure Statement
For the year ended 31 December, 2003

	2003 \$	2002 \$
Income		
General Donations	72,426.00	375.80
Membership Fees	1,440.00	1,240.00
Functions & Picnics	2,950.00	210.00
Interest received	6.43	30.37
Sundry income	350.00	3,566.91
Total income	77,172.43	5,423.08
Expenses		
Accountancy	1,540.00	1,650.00
Bank Fees And Charges	64.80	112.30
Depreciation - plant	0.00	257.00
Donations	8,000.00	0.00
Grant Expenses	0.00	62.13
Hire of Picnic Area	374.00	0.00
Hire of Hall	880.00	140.00
Insurance	2,208.94	0.00
Postage	537.00	1,022.80
Printing & stationery	500.00	0.00
Receptions and Function Expenses	4,772.00	630.19
Subscriptions	139.00	156.00
Sundry expenses	238.99	0.00
Telephone	667.15	0.00
Total expenses	19,921.88	4,030.42
Profit from ordinary activities before income tax	57,250.55	1,392.66
Income tax revenue relating to ordinary activities	0.00	0.00
Net profit attributable to the association	57,250.55	1,392.66
Total changes in equity of the association	57,250.55	1,392.66
Opening retained profits	165,461.94	164,069.28
Net profit attributable to the association	57,250.55	1,392.66
Closing retained profits	222,712.49	165,461.94

The accompanying notes form part of these financial statements.