

Balance Sheets

at 31 December 2003

	Notes	Group		Company	
		2003	2002	2003	2002
		R'000	R'000	R'000	R'000
Assets					
Property and equipment	3	9 696	8 186	6 160	4 644
Investment in subsidiary	4			3 204	3 232
Investment in Associated Company	5	821	282	470	1
Investments	6	7 527	8 168	7 527	8 168
Deferred tax asset	7	5 891	5 288	5 891	5 288
Advances and other receivables	8	543 366	526 954	543 260	526 915
Short term negotiable securities	9	78 503	27 720	78 503	27 720
Cash and short term funds	10	212 757	68 297	212 757	68 297
Total assets		858 561	644 895	857 772	644 265
Equity and Liabilities					
Shareholders' interest		57 611	54 795	57 221	54 479
Liabilities		800 950	590 100	800 551	589 786
Deposit accounts	12	749 249	551 686	749 249	551 686
Accounts payable and other payables		19 933	12 639	19 534	12 325
Welfare and charitable funds	13	31 768	25 775	31 768	25 775
Total equity and liabilities		858 561	644 895	857 772	644 265
Contingent liabilities	19	44 664	15 565	44 664	15 565



Income Statements

for the year ended 31 December 2003

	Notes	Group		Company	
		2003 R'000	2002 R'000	2003 R'000	2002 R'000
Income earned from Islamic activities		75 554	61 919	75 554	61 919
From customers		74 432	61 150	74 432	61 150
Service fees		1 122	769	1 122	769
Non-Islamic income		—	—	—	—
Income earned from non-Islamic activities		17 476	8 844	17 476	8 844
Less attributable to the charitable fund		17 476	8 844	17 476	8 844
		75 554	61 919	75 554	61 919
Provision for credit losses		9 124	1 061	9 124	1 061
		66 430	60 858	66 430	60 858
Income paid to depositors		40 781	35 358	40 781	35 358
		25 649	25 500	25 649	25 500
Other income	14	3 137	3 318	3 059	3 174
Income from Associated Company		70	281	—	—
Operating income		28 856	29 099	28 708	28 674
Operating expenditure	15	24 031	20 225	23 959	20 090
Net income before taxation		4 825	8 874	4 749	8 584
Taxation expense	16	1 728	2 646	1 726	2 643
Net income for the year		3 097	6 228	3 023	5 941
Earnings per ordinary share (cents)	17				
Basic		77	197		
Headline		83	217		
Dividends per ordinary share (cents)	18	—	50		
Weighted average number of ordinary shares in issue (000's)		4 000	3 168		



With diminishing adult illiteracy and a significant increase in matriculants, tertiary education and skills development will be vital to the future of the economy.

There is presently a massive deficit of skilled labour in all economic sectors and tertiary education is clearly the route to overcome this shortfall. South Africa, with its world-renowned institutions will be able to offer tertiary education to all its citizens.



Cash Flow Statements

for the year ended 31 December 2003

	Notes	Group		Company	
		2003 R'000	2002 R'000	2003 R'000	2002 R'000
Cash generated from/(utilised by) operations	24.1	202 910	(8 054)	202 878	(8 056)
Taxation paid	24.2	(2 085)	(4 203)	(2 081)	(4 200)
Dividends paid	24.3	(2 451)	(451)	(2 451)	(451)
Net cash inflow/ (outflow) from operating activities		198 374	(12 708)	198 346	(12 707)
Cash flows from investing activities					
Additions to property and equipment	24.4	(3 135)	(657)	(3 135)	(657)
Proceeds from disposal of property and equipment		22	71	22	71
Investments acquired		(469)	(651)	(469)	(651)
Proceeds on disposal of investments		561	1 357	561	1 357
Decrease/(increase) in investment in subsidiary				28	(1)
Net cash (outflow)/ inflow from investing activities		(3 021)	120	(2 993)	119
Net cash generated/(utilised)		195 353	(12 588)	195 353	(12 588)
Cash flow from financing activities					
Proceeds from ordinary shares issued		-	9 948	-	9 948
Share issue expenses		(110)	-	(110)	-
Net cash (outflow)/ inflow from financing activities		(110)	9 948	(110)	9 948
Net increase/(decrease) in cash and cash equivalents		195 243	(2 640)	195 243	(2 640)
Cash and cash equivalents at beginning of year		96 017	98 657	96 017	98 657
Cash and cash equivalents at end of year	24.5	291 260	96 017	291 260	96 017



“Let there be work, bread, water and salt for all.”

Nelson Mandela

Initially, the first mandate of the new government was to integrate the self-governing homelands and central government civil service into one public service.

Now 72% of employees in the public service are African, although the number of senior positions held by women still lacks equity.

Forty-three multi-purpose community centres give the poor access to essential services. With better economic management since 1994, South Africa now has several billion rands allocated to "contingency reserve" in the budget.

The reserve funds are sufficient to address real social and economic problems, without compromising fiscal discipline and sparking inflation. Large scale public works programmes create jobs, build infra-structure and provide invaluable job training.



Statements of Changes in Shareholders' Equity

for the year ended 31 December 2003

	Share capital and premium	Surplus arising on re-valuation of investments	Investment risk reserve	(Accumulated loss)/ Distributable reserve	General reserve	Regulatory general credit risk reserve	Shareholders' interest
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Group							
Balance at 1 January 2002	31 012	–	3 732	922	4 639	–	40 305
Net income for the year				6 228			6 228
Transfer between reserves			2 164	(2 813)	649		–
Transfer to general provision for doubtful advances			(1 241)				(1 241)
Dividends paid				(901)			(901)
Surplus arising on revaluation of investments		456					456
Proceeds from shares issued	9 948						9 948
Balance at 31 December 2002	40 960	456	4 655	3 436	5 288	–	54 795
Change in accounting policy (See note 2)			(93)	93		1 671	1 671
Restated balance at 1 January 2003	40 960	456	4 562	3 529	5 288	1 671	56 466
Net income for the year				3 097			3 097
Transfer between reserves			(4 562)	5 288	(5 288)	4 562	–
Share issue expenses paid	(110)						(110)
Dividends paid				(2 001)			(2 001)
Surplus arising on revaluation of investments		159					159
Increase in regulatory general credit risk reserve				(29 423)		29 423	–
Balance at 31 December 2003	40 850	615	–	(19 510)	–	35 656	57 611
Company							
Balance at 1 January 2002	31 012	–	3 732	893	4 639	–	40 276
Net income for the year				5 941			5 941
Transfer between reserves			2 164	(2 813)	649		–
Transfer to general provision for doubtful advances			(1 241)				(1 241)
Dividends paid				(901)			(901)
Surplus arising on revaluation of investments		456					456
Proceeds from shares issued	9 948						9 948
Balance at 31 December 2002	40 960	456	4 655	3 120	5 288	–	54 479
Change in accounting policy (See note 2)			(93)	93		1 671	1 671
Restated balance at 1 January 2003	40 960	456	4 562	3 213	5 288	1 671	56 150
Net income for the year				3 023			3 023
Transfer between reserves			(4 562)	5 288	(5 288)	4 562	–
Share issue expenses paid	(110)						(110)
Dividends paid				(2 001)			(2 001)
Surplus arising on revaluation of investments		159					159
Increase in regulatory general credit risk reserve				(29 423)		29 423	–
Balance at 31 December 2003	40 850	615	–	(19 900)	–	35 656	57 221

