

SOUTH AFRICAN NATIONAL ZAKAH FUND

SANZAF



changing lives through development and relief

sanzaf.org.za

NPO 007-160 PBO 930001714

Summarised Annual Review of Activities and Audited Financial Statements for 2016-17/1437-38

COMPASSION AS A WAY OF LIFE

In the name of Allah (SWT), most Gracious, most Merciful

Alhamdulillah, as ever, the South African National Zakah Fund (SANZAF) has been working tirelessly to transform your contribution into invaluable interventions to halt the devastation of poverty. The past year has impressed upon us the imperative of compassion. Poverty dehumanises the individual as well as entire communities. Allah (SWT) declares in sura Al Isra (17:70) that He has honoured humanity and that He has certainly favoured humanity above the rest of creation.

It therefore places a greater responsibility on organisations like SANZAF to ensure that where poverty dehumanises, we strive to restore the dignity of people through compassion, hence our focus on compassion in the past year ending 31 May 2017 / 5 Ramadan 1438. Our team and partners have once again rose to the challenges to provide sustainable long term aid and support. It is this background that contextualises the work of SANZAF over the past financial year. However, our vision remains to change lives by being the premier Zakah organisation in South Africa.

As we have pointed out in the past, this is achieved firstly, by building a culture of development and empowerment and secondly, by achieving administrative self-sufficiency. Our administration costs in the 2016-17 / 1438 financial year is at R13.3 million, compared to R12.5 million in the year prior. This indicates a 6% increase.

OVERVIEW OF ACTIVITIES

Our total funds distributed and expensed in the past financial year was R147 million, compared to R151 million in the year prior. This represents a small decrease in distribution and expenditure of 3% over the previous year. Zakah distribution decreased by 8% to R106.3 million (previous year R115.2 million).

The total income for this year was R160 million (previous year R140 million), representing a 14% increase, Alhamdulillah. It must be noted that even though we experienced a receding economy donor confidence remained.

Our gross administration costs of distribution were 15.7% per rand of distribution as a percentage of total income.

NATIONAL PROJECTS

The past five years are marked by a manifest shift from welfare to development at SANZAF. The merit of this shift is universally acknowledged were as one that favours capacity building with a view to achieving independence and self-reliance. This is a far more sustainable form of assistance and is consistent with our aim of restoring the dignity and honour of the needy.

We undertake key national projects annually and these projects are SEED (SANZAF Education, Empowerment and Development Programme) Operation Winter Warmth, Operation Fitrah and Operation Qurbani. In this instance we wish to highlight our achievement in the SANZAF Education Empowerment and Development Programme (SEED).

SANZAF EDUCATION EMPOWERMENT AND DEVELOPMENT PROGRAMME (SEED)

The Fund is committed to a direct investment in education and supports a variety of interventions encompassed in five tiers namely, Early Childhood Development, Youth and Community Development, Islamic Studies, Vocational Training and Higher Education. Our expenditure on tertiary education this financial year was R24.5 million of the Zakah income received compared to R20 million in the previous financial year (benefitting 1064 and 1317 students respectively).



Shauket Fakie
NATIONAL CHAIRPERSON

REGIONAL PROGRAMMES

The Fund's diverse regional programmes include dawah awareness, culinary training, feeding schemes, iftar and suhoor for Ramadan, food aid assistance, wellness programmes, debt relief, water wells, Zakah research and humanitarian aid.

CAPACITY BUILDING AND GROWTH

The National Office Bearers and leadership remains committed to develop the capacity to ensure impact and growth in all regions. An ongoing strategy adopted by The Fund is to strengthen SANZAF's footprint in the Eastern Cape, Kimberley, Ladysmith and Pietermaritzburg.

ZAKAH EDUCATION

The Fund has over recent years pioneered Zakah education in South Africa with a range of programmes dedicated to public awareness of Zakah. In May of this year we hosted an international Zakah conference on the theme 'Zakah for Humanitarian Relief'.

Among the international speakers were Professor Osman Khieri of Sudan, Lawal Maidoki, Chairman Sokoto State Zakat Endowment Commission of Sokoto State in Nigeria, Shamsuddin Bolatito of Sudan and Dr Nunung Nurul Hidayah of Indonesia.

GOVERNANCE AND TRANSFORMATION

SANZAF is committed to sustainable good governance through open, accountable and transparent practices. Whilst this is already part of our culture, there is always the need to review and assess the governance environment in light of changes precipitated by technology, policy and legislation.

For example, we are aware of the need to maintain confidentiality and uphold ethical conduct in respect of personal information of all stakeholders, including donors and recipients.

Our broad philosophy and principles embrace, inter alia, transformation in respect of greater gender diversity at all levels. Fayruz Mohamed, our First Deputy Chairperson, is the incumbent SANZAF Chairperson. Yasmina Francke continues as General Manager of the Western Cape Region, Fairuz Jabaar as Chairperson of the Audit Committee and Amina Ganie, Chairperson in Gauteng.

THE WAY FORWARD

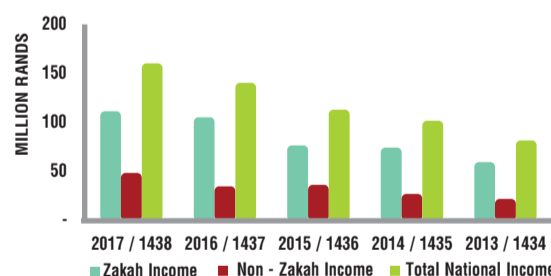
We will continue to optimise our processes to ensure we fulfil this Amanah for the pleasure of Allah (SWT). Our intention is to assess the environment to respond with strategies to enhance SANZAF's position as the leading Zakah organisation in South Africa. This includes the use of technology, best practice and further efficiencies in the collection and distribution of Zakah.

CONCLUSION

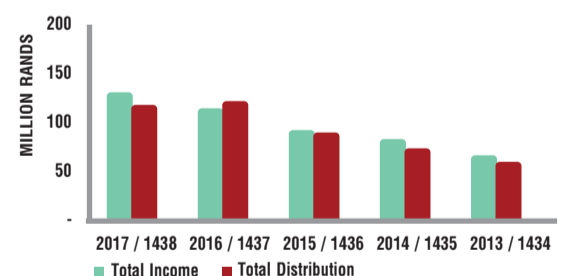
I wish to place on record my sincere appreciation and thanks to the Trustees for their support, counselling and guidance. I am particularly grateful to my colleagues, the National Office Bearers, for their talent and dedication. The hard work and commitment of the Management Boards, staff and volunteers in contributing to this achievement in a challenging financial year is deeply appreciated. May Allah (SWT) bless and reward you for your contribution and efforts, Ameen.

Shauket Fakie
NATIONAL CHAIRPERSON
31 July 2017 / 7 Dhill Qaida

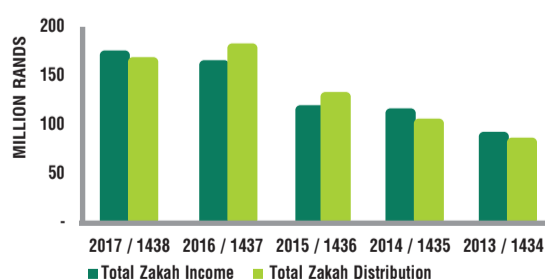
INCOME BY CATEGORY



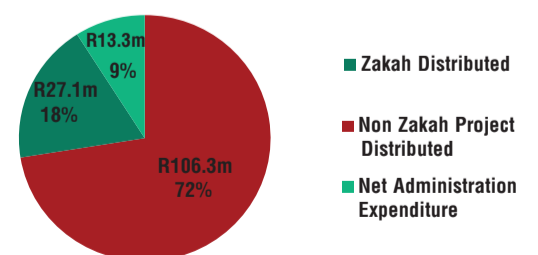
TOTAL INCOME AND DISTRIBUTION



ZAKAH INCOME AND DISTRIBUTION



2017 / 1438 - FUNDS DISTRIBUTED & EXPENDED



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Statement of Comprehensive Income for the year ended 31 May 2017 / 5 Ramadan 1438

	% CHANGE	2017 / 1438 R'000	2016 / 1437 R'000
DISTRIBUTION AND EXPENDITURE			
Zakah Distribution	(8)	106 350	115 176
Non- Zakah	14	27 124	23 737
Projects		14 782	13 708
Lillah		12 342	9 180
Other		-	849
Net Administration Expenditure *	6	13 262	12 485
TOTAL DISTRIBUTION AND EXPENDITURE		146 736	151 398
INCOME			
Zakah	6	111 556	105 328
Non Zakah	39	48 735	35 042
Projects		16 952	13 907
Lillah		30 911	20 489
Other		872	646
TOTAL INCOME		160 291	140 370
SURPLUS/(DEFICIT) FOR THE YEAR		13 555	(11 028)

Statement of Financial Position as at 31 May 2017 / 5 Ramadan 1438

	2017 / 1438 R'000	2016 / 1437 R'000
ASSETS		
Non-Current Assets	22 683	15 378
Property & Equipment	21 927	14 726
Other financial assets	756	652
Current Assets	22 903	20 922
Cash and cash equivalents	17 754	15 498
Other financial assets	2 026	2 971
Inventory	1 319	343
Other Receivables	1 804	2 110
TOTAL ASSETS	45 586	36 300
FUNDS & LIABILITIES		
Accumulated Funds	43 202	29 648
Non - Current Liabilities	-	136
Current Liabilities	2 384	6 516
Short term portion of long term liability	-	60
Other Payables	2 384	6 456
TOTAL FUNDS & LIABILITIES	45 586	36 300

Notes to the Summarised Audited Annual Financial Statements for the year ended 31 May 2017 / 5 Ramadan 1438

- The South African National Zakah Fund (SANZAF) is governed in terms of a trust deed, namely THE SOUTH AFRICAN NATIONAL ZAKAH FUND TRUST – trust deed no. IT 1670 / 1996. It is registered as a Public Benefit Organisation (PBO 930001714) under section 18A and section 30 of the Income Tax Act No 58 of 1962. It is also registered as a Non-Profit Organisation (NPO 007-160).
- The summarised Audited Annual Financial Statements have been derived from the Audited Annual Financial Statements of the Trust for the year ended 31 May 2017 / 5 Ramadan 1438 which have been audited by Nexia SAB&T and signed on 31 July 2017 / 07 Dhil Qaida 1438. The Audited Annual Financial Statements were approved by the Trustees on 30 July 2017 / 6 Dhil Qaida 1438.
- The Audited Annual Financial Statements incorporate the principle accounting policies which are consistent with those adopted in the previous financial year. The Financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities and incorporate disclosure in line with the trust deed and policies of Fund.
- For practical purposes the Fund's financial year end is set to the nearest Gregorian month end to 1 Ramadan of an Islamic year.
- Net Administration Expenditure is reflected after the deduction of Amiloon and is included under Zakah Distribution. *
- The Audited Annual Financial Statements is available on our website, www.sanzaf.org.za.

Overview of Activities



The Fund continues to create awareness about Zakah by presenting Zakah workshops, seminars and Q&A series on radio and television. This is further enhanced through social media and online strategies. SANZAF has adopted an online-multimedia platform to educate and inform our various target market audiences on the pillar of Zakah.



SANZAF has always been compassionate towards the plight and needs of the Senior Citizens. A variety of programmes are hosted nationally to ensure the well-being of our Senior Citizens. "It is He who created you (all in a state of weakness), and then after weakness, ordains strength (for you) and then, after (a period of) strength ordains (old age), and He alone is All-knowing and Infinite in His Power."(Quran, 30:54)



We share our views, practices and understanding on both a national and international platform. The International Zakah Conference was held in Cape Town. The conference included extensive workshops, including a master class for financial planners, women and Zakah, Zakah and Civil society and Zakah for entrepreneurs.



The Polokwane Agricultural project at Molamo Primary School in Paledi Village has managed to grow in leaps and bounds.

SANZAF has initiated several food gardens and through this relationship created sustainable opportunities for the team involved in the programme.



SANZAF offers an array of life skills workshops and excursion activities. These activities include Port Elizabeth's Muharram Youth Development Camp, Similar initiatives are conducted across the country aimed at under-resourced primary and high schools with the emphasis improving the academic performance of learners and to provide a social support structure.



SANZAF has been involved in the collection, coordination and distribution of Zakatul-Fitr. Operation Fitrah is our main annual relief project. SANZAF partners with many Masajid in the surrounding areas in order to ensure that distribution of resources reaches those most in need on the day of Eid ul Fitr.



SANZAF has shown phenomenal growth across the country through office expansion in the Eastern Cape and the Garden Route. This is indicative of the growth of SANZAF's national footprint to respond to increasing obstacles facing those in need.

Pictured here is the Garden Route Office.



Vocational Training is a tier under the SANZAF Education, Empowerment and Development project (SEED). The SANZAF Vocational training programme is designed for a career in the technical or practical fields. SANZAF has partnered with FET colleges to provide education courses to young adults with a view to secure opportunities in the workplace.



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