



158, Ibrahim Taiwo Road,  
P. O. Box 4567,  
Ilorin.  
Tel: 031-222910. 225798

## **U.S Aladire & Co.**

**Chartered Accountants**

---

10th March, 2009.

The Chairman  
Muhammad Kamaldeen Education Foundation (MUKEF)  
Ilorin  
Kwara State.

Dear Sir,

### **MANAGEMENT REPORT ON AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2008**

We have concluded statutory Audit of Muhammad Kamaldeen Education Foundation for the year ended 31st December, 2008.

Attached is the report on areas of weaknesses observed during the course of carrying out the Audit and recommendations for future guidance of the Foundation's operational procedures.

We are however available at all times to give further clarification and explanation on both the Audited Accounts and the Report thereon.

Yours faithfully,

**U.S. ALADIRE & CO.**

*Chartered Accountants*

**U.S. ALADIRE & CO**  
**CHARTERED ACCOUNTANTS**

Lagos  
Valuation Plaza  
112, Murtala Muh's Way,  
Ebute Meta,  
Lagos.

Abuja  
Plot 729  
Alexandria Crescent,  
(Yaban Hotel Building)  
Off Aminu-Kano Crescent,  
Wuse Zone II,  
Abuja.  
Tel: 09-4138429. 08033138046

<b>INCOME</b>	<b>2008</b>	<b>%</b>	<b>2007</b>	<b>%</b>
	<b>N</b>		<b>N</b>	
Subscription	2,937,950	73.81	3,334,200	81.80
Donations	965,830	24.26	709,800	17.42
Zakat	12,000	0.30	8,000	0.20
Interest on FTD	44,384	1.11		
Others	20,900	0.52	23,500	0.58
	<b>3,981,064</b>	<b>100.0</b>	<b>4,075,500</b>	<b>100.0</b>
<b>EXPENSES</b>				
Staff Salaries	539,000	14.84	444,000	19.44
MUKEF Day Expenses	659,899	18.17	346,750	15.18
Donation to Institutions	2,050,000	56.45	1,000,000	43.81
Financial Expenses	184,084	5.06	191,300	8.38
Administrative Expensive	199,085	5.48	301,208	13.19
	<b>3,632,067</b>	<b>100.0</b>	<b>2,283,258</b>	<b>100.0</b>
Excess of Income Over Expenditure	348,995		1,792,242	

### **ANALYSIS**

The endowment fund made excess income over expenditure of #348, 995 in the year under review as against #1, 792,242 in year 2007. The drop is due apparently to the follow reasons:

- i. Drop income of the fund from #4,075,500 in year 2007, to #3,981,064 in year 2008 a decrease of #94,4360, over that of the year.
- ii. An increase of #1,430,934 in Donation to tertiary institution in year 2008. Salaries increased by #95,000, this is due to take over of payment of AIS staff and recruitment of additional staff. MUKEF day expenses increased by #293,149 in the year under review.

### **MUKEF DAY EXPENSES**

We observed that MUKEF Day Expenses jumped from N346, 750 in year 2007 to N659,899 in year 2008. This is an increase of 45.81% over that of the proceeding year.

We observed that the huge increase in MUKEF Day Expenses did not bring the expected increase in income by way of annual subscriptions and donations.

### **N2,000,000 FIXED DEPOSIT ACCOUNT**


We recommend the Management of the Fund for fixing N2,000,000 in a fixed deposit with Bank PHB. An income of N44,384 was realized from the investment during the year under review.

We observed that the take-home pay of your Accountant is too small to TAKE HIM HOME. We wish to recommend you review his salaries and allowances.

We thank the Management and Staff of the Foundation for their cooperation during the audit.

Please do not hesitate to contact us for further clarification on the accounts.

Yours faithfully

  
**Alhaji Abdulhamid Adi**  
For: US Aladire & Co.  
Chartered Accountants

**U.S. ALADIRE & CO.**  
CHARTERED ACCOUNTANTS

MUHAMMED KAMALUDEEN EDUCATION FOUNDATION  
(MUKEF)

AUDITED ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2008

#### **A. BOARD AND MANAGEMENT MEMBER**

- |  |                                       |
|--|---------------------------------------|
| 1. Hon. Justice M.A. Ambali                | Chairman                              |
| 2. Alh. Dr. Aliyu Salman (SAN)             | 1 <sup>st</sup> Vice Chairman         |
| 3. Prof. Shuib Oba Abdul Raheem            | 2 <sup>nd</sup> Vice Chairman         |
| 4. Alhaji Abdul Kareem A, Ishola (ACA.CNA) | Treasurer                             |
| 5. Alh. Mahmud A. Alfa                     | Secretary                             |
| 6. Dr. Moshood M. Jimba                    | Asst. Secretary (Communication)       |
| 7. Alhaji Nassam M. Alfa                   | Asst. Secretary (Minutes)             |
| 8. Alhaji Abdul Lateef Ahmed Adekilekun    | Director of Contacts and Mobilization |
| 9. Alhaji Saka Sa'adu                      | Member                                |
| 10. Alhaji Ahmed Olayiwola Kamal           | Member                                |
| 11. Hon. Justice I.A Haroon                | Member                                |
| 12. Engr. Ahmed Kola Ibrahim               | Member                                |
| 13. Alhaji Umar Ali                        | Member                                |
| 14. Mallam Moshood Tosho Amuda             | Member                                |

15. Alhaji Buhari Kelani	Member
16. Alhaji Abdulkareem Saka	Member
17. Dr. Abdulhameed Amin Olohunoyin	Member
18. Dr. Abdul Lateef Oladimeji	Member
19. Alhaji S.O. Bhadmus	Member
20. Dr. Hashir AbdulSalam	Member

#### **B. ADDRESS**

Muhammed Kamaldeen Education Foundation Interim Management Committee, P.M.B, 1504 Ilorin, Kwara State, Nigeria.

#### **C. BANKER**

Bank PHB Plc,

Unity Branch, Ilorin.

#### **D. AUDITORS**

US ALADIRE & CO

CHARTERED ACCOUNTANTS

158 IBRAHIM TAIWO ROAD P.O.BOX 4567 ILORIN.

#### **MANAGEMENT'S RESPONSIBILITY STATEMENTS**

The following statements which should be read in conjunction with the Auditor's responsibility statement, is made to distinguish the responsibilities of the Management for financial statement from those of the Auditors.

The Management are required by companies and Allied Matters Decree 1990 to prepare financial statements which give a true and fair view of the state of affairs of the foundation as at the end of the financial year and of the excess or deficit of the income over expenditure for the financial year.

The Management have the responsibility of ensuring that the Foundation keeps accounting records which disclose with reasonable accuracy, the financial position of the college and which enable them to ensure that the financial statements comply with the companies and Allied Matter Decree 1990.

The Management also has a general responsibility for taking such steps as reasonably open to them to safeguard the asset of the Foundation and to prevent and detect fraud and other irregularities.

#### **AUDITOR'S RESPONSIBILITY STATEMENT**

The Auditors are responsible for forming a independent opinion on the financial statements presented by the management based on their audit, and for reporting their opinion to the Management. They also have the responsibility under the Companies and Allied Matters Decree 1990 to report if particular requirement are not met.

They include:-

- i. whether the foundation has maintained the proper books of accounts;
- ii. whether the financial statements are in agreement with the accounting records and give the information required by the decree in the manner so required and give a true and fair view, in the case of balance sheet, of the state of the Foundation's affair at the end of its year, and in case of income and expenditure, of the excess of income/expenditure over expenditure/income for the year.
- iii. that the Auditors have obtained all information and explanations which to the best of their knowledge and belief, were necessary for the purpose of their Audit;
- iv. whether the financial statements have been properly prepared in accordance with the provision of the Decree so as to give a true and fair view of the statement of the Foundation.

**MUHAMMAD KAMALUDEEN EDUCATION FOUNDATION  
(MUKEF)**

**AUDITED ACCOUNTS FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER 2008.**

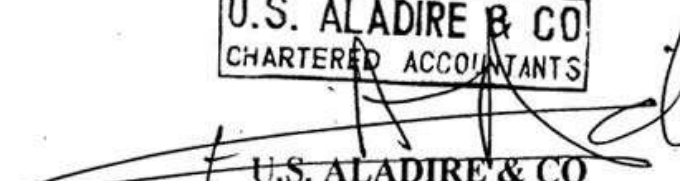
**REPORT OF THE AUDITORS ON THE FINANCIAL STATEMENT FOR  
THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2008.**

We have examined the financial statement of the foundation which was prepared under the Historical Cost Convention.

We have obtained all information and explanations which to the best of our knowledge and belief were considered necessary for the purpose of our audit. The statement of Affairs which have been prepared on the basis of Accounting policies set out on page 6 are in agreement with the accounting records and given in the prescribed manner of the information.

In our opinion, the accounts readable in conjunction with the notes on pages 10 and 11 subject to issues raised in the Management Letter gives a true and fair view of the state of affairs of the Foundation as at 31<sup>st</sup> December 2008 and of the Surplus on Revenue Accounts for the year ended on that date.

**ILORIN**  
**NIGERIA**  
*10th March, 2009*

**U.S. ALADIRE & CO**  
**CHARTERED ACCOUNTANTS**  
  
**U.S. ALADIRE & CO**  
**CHARTERED ACCOUNTANTS**

**STATEMENT OF ACCOUNTING POLICIES**

The following accounting policies have been adopted by the Management of the Foundation and stated therein to assist users of the Financial Statement in their interpretation of this accounts which have been prepared under Historical Cost Convention.

Fixed Assets Depreciation

Depreciation of Fixed Assets is calculated to write off the cost of each fixed asset on a straight line basis over its estimated useful life. Based on the usual Accounting standard and practice, depreciation of the following fixed assets of the Foundation is calculated as shown below


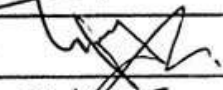
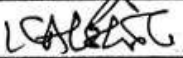
Computer Equipment	25%
Motorcycle/Motor Vehicle	25%
Office Furniture and Fittings	15%
Generator and other Machinery	15%

Annual Subscriptions and Donations

Amount collectable from individuals as annual subscription and donations are acknowledge in the books of the foundation and are treated as income for that year. No provision is made for bad and doubtful debts on individual subscription or donation.

**AUDITED ACCOUNTS FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER 2008.**

	NOTE	2008 N	2007 N
FIXED ASSETS	1	177,625	250,975
 CURRENT ASSETS	2	3,489,723	3,067,378
Less Current Liabilities		<u>nil</u>	<u>nil</u>
Net Current Assets		<u>3,489,723</u>	<u>3,067,378</u>
Net Asset		<u>3,667,348</u>	<u>3,318,353</u>
 ACCUMULATED FUND	3	<u>3,667,348</u>	<u>3,318,353</u>

  
 \_\_\_\_\_ Chairman  
  
 \_\_\_\_\_ Secretary  
  
 \_\_\_\_\_ Treasurer

The accompanying Notes on pages 10 and 11 form an integral part of these accounts.

AUDITED ACCOUNTS FOR THE YEAR ENDED 31 <sup>ST</sup> DECEMBER 2008			
REVENUE ACCOUNTS			
	NOTE	2008 #	2007 #
<b>INCOME</b>			
Annual Subscription		2,937,950	3,334,200
Donations		965,830	709,800
Zakat		12,000	8,000
Others		20,000	23,500
Interest on FTD		44,384	-----
		3,981,064	4,075,500
<b>EXPENDITURE</b>			
Salaries and wages		539,000	444,000
Postage and Telephone		43,395	72,685
MUKEF Day Expenses		659,899	346,750
Printing and Stationery		9,395	9,950
Transport and Traveling		12,135	3,285
Maintenance of Plant and Machinery		42,280	35,875

Donation		50,000	50,000
Fueling and Repair of Motor Vehicle		47,380	34,600
Donation to the proposed University and others		2,050,000	1,000,000
Professional Charges		12,500	7,500
Utility Expenses		35,000	-----
Depreciation		73,350	110,025
Bush Clearing		-----	95,000
Maintenance of Furniture and fittings		-----	22,750
Miscellaneous Expenses		-----	2,063
Public Relation			25,000
Publicity		9,500	-----
		<b>3,981,064</b>	<b>2,283,258</b>
Excess of Income over expenditure		348,995	1,792,242

<b>FIXED ASSETS: NOTE 1</b>					
	COMPUTER EQUIPMENT N	OFFICE FURNITURE N	MOTOR CYCLE N	PLANT & MACH. N	TOTAL N
Cost as at 1/1/08	147,000	106,000	45,000	63,000	361,000
Addition during the year	NIL	NIL	NIL	NIL	NIL
	<b>147,000</b>	<b>106,000</b>	<b>45,000</b>	<b>63,000</b>	<b>361,000</b>
Accum. Dep. 1/1/08	55,125	23,850	16,875	14,175	110,025
Charges for the year	36,750	15,900	11,250	9,450	73,350
Accum. Dep. 31/12/08	91,875	39,750	28,125	23,625	183,375
WDV as at 31/12/08	55,125	66,250	16,875	39,375	177,626
WDV 31/12/07	91,875	82,150	28,125	48,825	250,975

<b>CURRENT ASSETS: NOTE 2</b>		
	2008	2007
	N	N
Cash in hand	58,969	4,395
Bank Balance	1,376,370	3,052,983
Salary Advance	10,000	10,000
Fixed Deposit (Bank PHB)	2,044,384	-----
<b>ACCUMULATED FUND: NOTE 3</b>		
Balance B/F	3,318,353	1,526,111
Excess of Income over expenditure	348,995	1,792,242

<b>FIXED ASSETS: NOTE 1</b>					
	COMPUTER EQUIPMENT N	OFFICE FURNITURE N	MOTOR CYCLE N	PLANT & MACH. N	TOTAL N
Cost as at 1/1/08	147,000	106,000	45,000	63,000	361,000
Addition during the year	NIL	NIL	NIL	NIL	NIL
	<b>147,000</b>	<b>106,000</b>	<b>45,000</b>	<b>63,000</b>	<b>361,000</b>
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<b>ACCUMULATED FUND: NOTE 3</b>		
Balance B/F	3,318,353	1,526,111
Excess of Income over expenditure	348,995	1,792,242

**HIGHLIGHTS OF REVENUE ACCOUNTS FOR THREE YEARS (2006-2008)**

<b>INCOME</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>N</b>	<b>N</b>	<b>N</b>
Annual Subscription	2,937,950	3,334,200	1,280,700
Donations	965,830	709,800	793,500
Zakat	12,000	8,000	64,000
Interest on FTD	44,384	-----	-----
Other Income	20,900	23,500	75,215
	<b>3,981,064</b>	<b>4,075,500</b>	<b>2,213,415</b>
<b>EXPENDITURE</b>			
Administrative Expenses	199,085	301,208	1,309,038
Staff Expenses	539,000	444,000	214,500
Donation to proposed University and others	2,050,000	1,000,000	-----
Financial Expenses	184,085	191,300	2,573
MUKEF Day Expenses	659,899	346,750	-----
	<b>3,632,069</b>	<b>2,283,258</b>	<b>1,526,111</b>
Surplus on Revenue Accounts	348,995	1,792,242	687,304

**HIGHLIGHTS OF REVENUE ACCOUNTS FOR THREE YEARS (2006-2008)**

<b>INCOME</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>N</b>	<b>N</b>	<b>N</b>
Annual Subscription	2,937,950	3,334,200	1,280,700
Donations	965,830	709,800	793,500
Zakat	12,000	8,000	64,000
Interest on FTD	44,384	-----	-----
Other Income	20,900	23,500	75,215
<b>3,981,064</b>	<b>4,075,500</b>	<b>4,075,500</b>	<b>2,213,415</b>
<b>EXPENDITURE</b>			
Administrative Expenses	199,085	301,208	1,309,038
Staff Expenses	539,000	444,000	214,500
Donation to proposed University and others	2,050,000	1,000,000	-----
Financial Expenses	184,085	191,300	2,573
MUKEF Day Expenses	659,899	346,750	-----
	<b>3,632,069</b>	<b>2,283,258</b>	<b>1,526,111</b>
Surplus on Revenue Accounts	348,995	1,792,242	687,304

**INTERNAL AUDITORS REPORT YEAR 2006**

INCOME		N	EXPENDITURE		N
Subscription	--	1,280,700	Grants to schools		
Donations	--	793,500	(a) proposed Muhammad Kamal University	500,000	
Sales of forms	--	5,500	(b) Al-Zumural –Adabyyah Ilorin	200,000	
Income from schools orgs	-	9,715	(c) Mahad Al-azhary Ilorin	200,000	
Special Prayer	-	60,000	(d) Ansarul-Islam Sec. Sch Ogunwale		
Zakat		64,000			
			MUKEF Staff Salaries	214,500	
			MUKEF Day Expenses(2006)	346,750	
			Printing & Stationery	256,495	
			Postage & Telecommunication	22,460	
			Adverts & Publicity	38,750	
			Traveling & Transport	11,460	
			Office maintenance	47,090	
			Repair of Equipment	80,700	
			Bank Charges	2,573	
			Miscellaneous Expenses	13,275	
		<b>2,213,415</b>		<b>2,034,053</b>	

**SUMMARY OF INCOME EXPENDITURE**

**INCOME YEAR (2006) - 2,213,415**

**EXPENSES - 2,034,053**

**BAL. - 179,362**

**INTERNAL AUDITORS REPORT YEAR 2007**

INCOME		N	EXPENDITURE		N
Subscription	--	3,334,200	Grants to the proposed		
Donations	--	709,800	Muhammad Kamal University		2,000,000
Zakat		8,000	Grant to Ansarul Islam (Edo State)		50,000
Other Incomes	---	18,000			
			MUKEF Staff Salaries		444,000
			MUKEF Day Expenses(2007)		650,899
			Printing & Stationery		9,950
			Postage & Telecommunication		72,685
			Maintenance of plant & machines		35,875
			Maintenance of furniture & fittings		22,750
			Special Donation to (Dr Olukade) late		50,000
			Fuelling& repairs of Motorcycle		34,600
			Traveling & Transport		3,285
			Bush Clearing		95,000
			Public Relations Expenses		80,700
			Professional Charges (External Auditors)		7,500
			Bank Charges		27,775
			Miscellaneous Expenses		2,063
		<b>4,070,000</b>			<b>3,540,382</b>

**SUMMARY OF INCOME EXPENDITURE**

<b>BAL. B/F</b>	-	<b>179,362</b>
<b>INCOME</b>	-	<b>4,070,000</b>
	-	<b>4,249,362</b>
<b>EXPENSES</b>	-	<b>3,540,382</b>
<b>BAL.</b>	-	<b>708,980</b>

**INTERNAL AUDITORS REPORT YEAR 2008**

INCOME		N	EXPENDITURE		N
Subscription	--	2,937,950	Grants to the proposed Muhammad Kamal University to be decided.		
Donations	--	965,830			
Zakat		12,000			
Other Incomes	---	20,000			
Interest FTD		44,384	MUKEF Day Expenses(2008)		to be decided
			MUKEF Staff Salaries		429,000
			Fixed deposit		(2,000,000)
			Printing & Stationery		9,395
			Postage & Telecommunication		43,395
			Maintenance of plant & machines		42,280
			MUKEF Staff Welfare		50,000
			Utility Expenses		35,000
			Fuelling& repairs of Motorcycle		34,600
			Traveling & Transport		12,280
			Public Relations Expenses		9,500
			Professional Charges (External Auditors)		12,500
			Grant to Ansarul Islam National		
			Secretariat Ilorin		110,000
		<b>3,980,164</b>			<b>2,800,205</b>

**SUMMARY OF INCOME AND EXPENDITURE 2008**

<b>BAL. B/F FROM 2007</b>	<b>=</b>	<b>708,980</b>
<b>Direct Income year 2008</b>	<b>=</b>	<b>3,980,164</b>
<b>Income for year 2008 receipted in 2009</b>	<b>=</b>	<b>597,000</b>
<b>Total</b>	<b>=</b>	<b>5,286,144</b>
<b>Less Actual Expenses 2008</b>	<b>=</b>	<b>800,205</b>
<b>Bal</b>	<b>=</b>	<b>4,485,939</b>