

THE TEHZIBUL AKHLAQ TRUST

AUDITORS' REPORT TO THE TRUSTEES

We have audited the accompanying financial statements of **THE TEHZIBUL AKHLAQ TRUST**, which comprise of the statement of financial position as at June 30, 2016, and the income and expenditure account, the statement of cash flows and the statement of accumulated funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Members of Executive Committee are responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Members of Executive Committee determine, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Members of Executive Committee as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present a true and fair view of the statement of financial position of **THE TEHZIBUL AKHLAQ TRUST**, as at June 30, 2016, and of its income and expenditure account, its statement of cash flows and its statement of accumulated funds for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

LAHORE

Dated:

30 DEC 2016


HORWATH HUSSAIN CHAUDHURY & CO.

Chartered Accountants

(Engagement Partner: Amin Ali)

THE TEHZIBUL AKHLAQ TRUST, LAHORE

BALANCE SHEET AS AT JUNE 30, 2016

		2016	2015
	Note	Rupees	Rupees
ASSETS			
Non Current Assets			
Property and equipment	5	675,884,823	667,412,518
Capital work in progress	6	1,591,353	15,499,699
Intangible assets	7	121,648	162,197
Long term deposit		360,250	360,250
		677,958,074	683,434,664
Current Assets			
Stocks and stores	8	1,263,552	959,074
Advances, deposits and other receivables	9	10,294,104	4,867,158
Short term investment	10	13,000,000	13,000,000
Cash and bank balances	11	11,817,372	10,649,506
		36,375,028	29,475,738
		<u>714,333,102</u>	<u>712,910,402</u>
RESERVES AND LIABILITIES			
Funds:			
- Unrestricted fund			
The Tehzibul Akhlaq Trust Office, Lahore	12.1	(2,316,096)	7,952,032
Aligarh Public School and College for Women, Lahore	12.2	114,539,317	104,962,070
Aligarh Public School, Manga Mandi	12.3	(26,659,837)	(26,686,450)
Aligarh Public School Mess, Manga Mandi	12.4	37,808,842	34,128,149
Sir Syed College of Computer Science	12.5	(7,872,617)	(5,389,275)
		115,499,609	114,966,526
- Restricted fund			
		873,800	873,800
		116,373,409	115,840,326
Surplus on Revaluation of Property and Equipment	13	569,410,992	569,410,992
Non Current Liabilities			
Deferred income	14	7,513,042	7,420,065
Current Liabilities			
Security deposits	15	16,377,513	15,354,866
Creditors, accrued and other liabilities	16	4,658,146	4,884,153
		21,035,659	20,239,019
Contingencies and commitments	17	-	-
		<u>714,333,102</u>	<u>712,910,402</u>

The annexed notes form an integral part of these financial statements.

M. Shaiqul Haque

M. Shaiqul Haque

Auditors' Report
of

THE TEHZIBUL
ALKHAQ TRUST,
LAHORE

for the year ended
June 30, 2016

THE TEHZIBUL AKHLAQ TRUST, LAHORE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	Rupees
INCOME		
Unrestricted income		
Income from school / student related activities:		
- Tuition fee and other funds - net	84,762,399	77,953,381
- Admission fees / test fees	2,656,960	3,089,478
- Examination and other fees	2,752,852	2,688,117
- Hostel charges	5,082,168	4,985,888
- Mess fund	8,556,235	8,606,166
- Profit on sale of prospectus / progress report	214,300	283,550
- Income from sale of monthly Tehzibul Akhlaq Magazine	874,915	858,500
- Forfeited student securities	511,352	488,280
	105,411,181	98,953,360
Income from other sources:		
- Profit on investment and bank accounts	1,382,151	1,325,967
- Donations	7,314,369	4,665,736
- Membership fee	60,000	30,000
- Rental income	36,787	72,458
- Rebate from canteen	50,000	50,000
- Balances written back	79,225	20,405
- Exchange gain	34,222	228,221
- Miscellaneous	282,045	103,923
	9,238,799	6,496,710
	114,649,980	105,450,070
Restricted income		
- Amortization of deferred income	498,772	438,835
- Tuition fee against restricted fund	2,445,000	662,500
	2,943,772	1,101,335
	18 117,593,752	106,551,405
EXPENDITURE		
Expenses funded by unrestricted income		
Salaries and other benefits:		
- Salary expense	64,931,520	62,108,682
- EOBI	904,921	976,122
- Provident fund	2,212,942	2,158,737
- Social security	1,192,302	1,164,029
- Other benefits	493,067	412,600
Mess expenses	7,046,513	6,990,255
Repairs and maintenance	5,396,862	5,597,277
Petrol, oil and lubricant	1,777,602	1,953,979
Utilities	3,701,869	3,524,721
Students' related activity	2,000,357	1,791,313
Examination expenses	747,153	734,512
Laboratory expenses	-	172,479
Expenses of monthly Tehzibul Akhlaq Magazine	768,167	721,373
Magazine expenses	340,000	-
Advertisement and publicity	3,471,319	3,129,485
Legal and professional charges	155,995	212,028
Parking fee	18,000	18,000
Audit fee	205,000	185,150
Preliminary expenses for Sir Syed College of Computer Science	-	1,461,696
Printing and stationery	1,176,112	1,080,686
Telephone, postage and internet	596,575	596,380
Travelling and conveyance	653,209	645,722
Fees and subscription	172,500	119,706
Entertainment	317,088	457,756
Golden jubilee expenses	1,201,960	-
Qutab shah campus' expenses	2,633,238	119,553
Stocks and stores consumed	100,223	125,213
Markup on over drawn bank account	-	194,246
Bank charges	235,646	174,244
Safety and security	1,643,706	1,770,480
Insurance	31,204	31,204
Training expenses	5,000	-
Cleaning expenses	58,213	25,180
Balances written-off	195,127	324,955
Miscellaneous	58,911	16,313
Amortization	40,549	54,066
Depreciation	18 12,577,819	12,365,674
	117,060,669	111,413,816
Surplus / (Deficit) for the Year	533,083	(4,862,411)

The annexed notes form an integral part of these financial statements.

THE TEHZIBUL AKHLAQ TRUST, LAHORE

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	533,083	(4,862,411)
Adjustments for:		
- Depreciation - property, plant and equipment	12,577,819	12,365,674
- Amortization - intangible assets	40,549	54,066
- Balances written-off	195,127	324,955
- Balances written back	(79,225)	(20,405)
- Amortization of deferred income	(498,772)	(438,835)
- Tuition fee against restricted fund	(2,445,000)	(662,500)
- Preliminary expenses for Sir Syed College of Computer Science	-	1,461,696
- Bank charges	235,646	174,244
- Markup on over drawn bank account	-	194,246
	<u>10,026,144</u>	<u>13,453,141</u>
Surplus before Working Capital Changes	10,559,227	8,590,730
(Increase) / decrease in current assets		
- Stocks and stores	(304,478)	(207,149)
- Advances, deposits and other receivables	(5,279,632)	(1,159,084)
Increase / (decrease) in current liabilities		
- Creditors, accrued and other liabilities	(146,782)	1,861,861
- Security deposits	1,022,647	1,777,797
Net changes in working capital	<u>(4,708,245)</u>	<u>2,273,425</u>
Cash Generated from Operations	5,850,982	10,864,155
Bank charges paid	(235,646)	(174,244)
Income tax paid	(342,441)	(196,478)
Markup paid	-	(194,246)
	<u>(578,087)</u>	<u>(564,968)</u>
Net Cash Generated from Operating Activities	5,272,895	10,299,187
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(6,463,421)	(15,864,616)
Capital work in progress	(86,608)	(1,861,904)
Net Cash Used in Investing Activities	(6,550,029)	(17,726,520)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing from bank	-	(3,033,466)
Donations received against restricted activities	2,445,000	6,995,200
Net Cash Generated from Financing Activities	<u>2,445,000</u>	<u>3,961,734</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	1,167,866	(3,465,599)
Cash and cash equivalents at the beginning of the year	10,649,506	14,115,105
Cash and Cash Equivalents at the End of the Year	<u>11,817,372</u>	<u>10,649,506</u>

The annexed notes form an integral part of these financial statements.

THE TEHZIBUL AKHLAQ TRUST, LAHORE

STATEMENT OF ACCUMULATED FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted Funds Rupees	Restricted Funds Rupees	Total Rupees
Balance as at June 30, 2014	119,828,937	-	119,828,937
Restricted funds received during the year	-	6,995,200	6,995,200
Restricted funds utilized during the year	-	(6,121,400)	(6,121,400)
Deficit during the year	(4,862,411)	-	(4,862,411)
Balance as at June 30, 2015	114,966,526	873,800	115,840,326
Surplus during the year	533,083	-	533,083
Balance as at June 30, 2016	115,499,609	873,800	116,373,409

The annexed notes form an integral part of these financial statements.



HONORARY SECRETARY GENERAL



FINANCE MANAGER

THE TEHZIBUL AKHLAQ TRUST, LAHORE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Note 1

The Trust and its Operations

The Tehzibul Akhlaq Trust, Lahore (the Trust) was registered under the Societies Act, 1860 on February 17, 1960 with an objective of providing educational services to the general public. The registered office of the Trust is situated at 38/47-2, Ghalib Road, Gulberg III, Lahore.

Note 2

Statement of Compliance

These financial statements have been prepared in accordance with the Guidelines for Accounting and Financial Reporting by Non-Government Organisations (NGOs) / Non-Profit Organizations (NPOs) issued by The Institute of Chartered Accountants of Pakistan.

Note 3

Basis of Preparation

3.1 Basis of Measurement

These financial statements have been prepared under the historical cost convention.

3.2 Reporting Currency

These financial statements are prepared and presented in Pak Rupees which is the Trust's functional and presentation currency. All the figures have been rounded off to the nearest rupees.

Note 4

Significant Accounting Policies

4.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any, except freehold land and building of Head Office and Gulberg school which are stated at revalued amounts.

Depreciation on property and equipment is charged on written down value at the rates specified in Note 5. Full year's depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal. Impairment loss or its reversal, if any, is charged to the income and expenditure account. When an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

Property and equipment received directly as grant / donation are debited to the property and equipment account at fair value and a corresponding amount is credited to a deferred income account in the balance sheet. Such items are thereafter depreciated as per the policy of the Trust while a corresponding amount is transferred from the deferred income to the income and expenditure account.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and carrying amount of the asset is recognized as an income or expense, respectively.

Maintenance and repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Note 4, Significant accounting policies - contd ...

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and identified impairment loss, if any.

Amortization on intangible assets is charged on written down value at the rates specified in Note 7. Full year's amortization is charged in the year of purchase and no amortization is charged in the year of disposal. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4.3 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during construction period are recognised as capital work in progress. These are transferred to property and equipment as and when these are available for use.

4.4 Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

4.5 Stores, spares and consumables

Stores, spares and consumables are valued at the lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

4.6 Receivables

Receivables are reviewed at each balance sheet date and those considered irrecoverable are written off and provision is made for debts considered doubtful, if any.

4.7 Investments

All investments are initially recognized at cost, being the fair value of the consideration given including acquisition charges associated with investments except in the case of investments at fair value through profit or loss where the transaction costs are charged to the income and expenditure account when incurred. The management determines the appropriate classification of its investment at the time of purchase and re-evaluates such designation on regular basis and presents in the balance sheet on the following basis:

Held to maturity

These are stated at amortized cost less impairment loss, if any, recognized to reflect irrecoverable amounts. Impairment loss is charged to the income and expenditure account.

Investment at fair value through profit and loss account

These are recognized at fair value and changes in carrying value are included in the income and expenditure account.

Available for sale

These are stated at fair value and changes in carrying value are recognized in capital fund until investment is sold or determined to be impaired at which time the cumulative gain or loss previously recognized in capital fund is included in the income and expenditure account.

Note 4, Significant accounting policies - contd ...

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balances with banks.

4.9 Funds

The Trust accounts for the funds as under:

4.9.1 Restricted funds

Funds which are received on account of a specific project, prior to incurring of the relevant costs, the cash received, are credited to the appropriate restricted fund account in the balance sheet. These sums are then transferred to the income and expenditure account as and when the relevant expenses are charged in the income and expenditure account. On the conclusion of the project any balances lying in the restricted fund account are transferred to un-restricted fund or returned back as agreed with the donor. A grant that becomes receivable as compensation for expenses or losses already incurred is recognized as income or returned back as agreed with the donor.

4.9.2 Unrestricted funds

The unrestricted funds are recognized in income and expenditure account when received or when the amount of the funds can be measured reliably and there is reasonable assurance that the Trust will receive the funds.

4.10 Deferred income

Restricted funds utilized in purchase of property and equipment or construction of property and equipment classified as capital work in progress are included in non-current liabilities as deferred income and are credited to the income and expenditure account in proportion to the depreciation charged on these assets. The unamortized portion of deferred income is recognized as a non-current liability in the balance sheet.

4.11 Creditors, accrued and other liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Trust.

4.12 Provisions

A provision is recognized in the balance sheet when the Trust has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

4.13 Staff retirement benefits

There is an approved contributory provident fund for all the permanent employees. Equal monthly contributions are made by the Trust and the employees to the fund at the rate of 10% of basic salary. Retirement benefits are payable to the staff on completion of prescribed qualifying period of service under the scheme. A separate Provident Fund Trust was established on January 01, 2003 to manage the employees' provident fund.

4.14 Revenue

The Trust accounts for revenue as stated below:

4.14.1 Tuition fee and other fees from students

These are recognized to the extent the management considers that the economic benefits will flow to the Trust.

Note 4, Significant accounting policies - contd ...

4.14.2 Donations

Donations and grants are recognized only in the period in which reasonable assurance is attained that the donation or grant will be received.

4.14.3 Prospectus fee, admission test and admission fee

Prospectus fee, admission test and admission fee are recognized on receipt basis.

4.14.4 Hostel and mess charges

Hostel and mess charges is recognized to the extent the management considers that the economic benefits will flow to the Trust.

4.14.5 Profit on bank deposits and TDRs

Profit from bank deposits is recognized as income into the income and expenditure account on a time proportion basis by reference to the principal outstanding and the applicable rate of return / interest.

4.14.6 Rental income

Rental income is recognized on a receipt basis.

4.15 Donated assets

Donated assets which are received free of cost or at concessionary rate, are recognized at fair value or nominal value by setting up the grant as deferred income where it is recognized as income on a systematic basis and rational basis over the life of donated asset.

4.16 Foreign currency transactions

All monetary assets and liabilities in foreign currency translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the spot rate. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange differences are included in other income.

4.17 Expenses

Expenses are recognized in the income and expenditure account when incurred.

4.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Executive Committee of the Trust). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year on property, plant and equipment, intangible assets and capital work in progress.

4.19 Taxation

The income of the Trust is subject to 100% tax credit under sub-section 2(d) of section 100C of the Income Tax Ordinance, 2001 (the Ordinance).

Note 5
Property and Equipment

	Note	2016 Rupees	2015 Rupees
The Tehzibul Akhlaq Trust Office, Lahore	5.1	618,970,093	626,093,373
Aligarh Public School and College For Women, Lahore:			
- Aligarh Public School and College for Women, Lahore (Owned)	5.2	5,791,879	6,430,982
- Aligarh Public School and College for Women, Lahore (Donated)	5.3	30,437	38,046
		5,822,316	6,469,028
Aligarh Public School, Manga:			
- Aligarh Public School, Manga (Owned)	5.4	48,730,967	33,546,871
- Aligarh Public School, Manga (Donated)	5.5	1,069,318	669,669
		49,800,285	34,216,540
Sir Syed College of Computer Science	5.6	1,292,129	633,577
		<u>675,884,823</u>	<u>667,412,518</u>

5.1 The Tehzibul Akhlaq Trust Office, Lahore

Particulars	Written down value as at July 01, 2015	Additions	As at June 30, 2016	Rate	Depreciation for the year	Written down value as at June 30, 2016
	Rupees	Rupees	Rupees	%	Rupees	Rupees
Assets at revalued amounts						
Land - freehold	497,080,000	-	497,080,000	0	-	497,080,000
Buildings on freehold land	88,437,931	-	88,437,931	5	4,421,897	84,016,034
Assets at historical cost						
Buildings on leasehold land	36,086,176	-	36,086,176	5	1,804,309	34,281,867
Furniture and fixtures	1,063,412	170,000	1,233,412	15	185,012	1,048,400
Computers and accessories	2,158,179	-	2,158,179	30	647,454	1,510,725
Electric equipment	888,130	-	888,130	20	177,626	710,504
Office equipment	354,612	22,100	376,712	20	75,342	301,370
Vehicles	24,933	-	24,933	15	3,740	21,193
Total 2016	<u>626,093,373</u>	<u>192,100</u>	<u>626,285,473</u>		<u>7,315,380</u>	<u>618,970,093</u>
Total 2015	<u>625,585,119</u>	<u>8,489,834</u>	<u>634,074,953</u>		<u>7,981,580</u>	<u>626,093,373</u>

5.1.1: The land is situated at 38/47-2 Ghalib Road Gulberg III, Lahore.

5.1.2: This does not include land situated at Bhatta Chowk DHA, Lahore comprising 13 kanals and 3 Marlas. This land has been donated by trustee; however, the title has yet not been transferred in the name of Trust.

Note 5, Property and equipment - contd ...

5.2 Aligarh Public School and College for Women, Lahore (Owned)

Particulars	Written down value as at July 01, 2015	Additions	As at June 30, 2016	Rate	Depreciation for the year	Written down value as at June 30, 2016
	Rupees	Rupees	Rupees	%	Rupees	Rupees
Furniture and fixtures	1,706,076	96,395	1,802,471	15	270,371	1,532,100
Computers accessories / multimedia	750,896	470,181	1,221,077	30	366,323	854,754
Electric equipment	2,298,538	-	2,298,538	20	459,708	1,838,830
Office equipment	652,598	188,458	841,056	20	168,211	672,845
Library books	810,131	-	810,131	20	162,026	648,105
Soft and black boards	22,694	52,185	74,879	30	22,464	52,415
Sign boards	15,815	-	15,815	15	2,372	13,443
UPS	-	50,000	50,000	20	10,000	40,000
Laboratory equipment	174,234	-	174,234	20	34,847	139,387
Total 2016	6,430,982	857,219	7,288,201		1,496,322	5,791,879
Total 2015	5,666,577	2,391,576	8,058,153		1,627,171	6,430,982

5.3 Aligarh Public School and College for Women, Lahore (Donated)

Particulars	Written down value as at July 01, 2015	Additions	As at June 30, 2016	Rate	Depreciation for the year	Written down value as at June 30, 2016
	Rupees	Rupees	Rupees	%	Rupees	Rupees
Office equipment - Total 2016	38,046	-	38,046	20	7,609	30,437
Total 2015	56,409	-	56,409		18,363	38,046

Note 5, Property and equipment - contd ...

5.4 Aligarh Public School, Manga (Owned)

Particulars	Written down value as at July 01, 2015	Additions	As at June 30, 2016	Rate	Depreciation for the year	Written down value as at June 30, 2016
	Rupees	Rupees	Rupees	%	Rupees	Rupees
Buildings	28,905,203	17,914,010	46,819,213	5	2,340,961	44,478,252
Furniture and fixtures	1,812,948	39,850	1,852,798	15	277,920	1,574,878
Vehicles	881,589	-	881,589	15	132,238	749,351
Computers accessories / multimedia	101,051	10,100	111,151	30	33,345	77,806
Electric equipment	741,418	28,941	770,359	20	154,072	616,287
Office equipment	13,454	336,230	349,684	20	69,937	279,747
Playground equipment	90,265	-	90,265	20	18,053	72,212
Tube wells	381,401	-	381,401	10	38,140	343,261
Medical equipment	49,208	3,400	52,608	10	5,261	47,347
Laboratory equipment	377,944	24,450	402,394	20	80,479	321,915
Garden equipment	106,138	1,192	107,330	10	10,733	96,597
Arms and ammunition	86,252	-	86,252	15	12,938	73,314
Total 2016	<u>33,546,871</u>	<u>18,358,173</u>	<u>51,905,044</u>		<u>3,174,077</u>	<u>48,730,967</u>
Total 2015	<u>4,335,570</u>	<u>31,632,072</u>	<u>35,967,642</u>		<u>2,420,771</u>	<u>33,546,871</u>

5.5 Aligarh Public School, Manga (Donated)

Particulars	Written down value as at July 01, 2015	Additions	As at June 30, 2016	Rate	Depreciation for the year	Written down value as at June 30, 2016
	Rupees	Rupees	Rupees	%	Rupees	Rupees
Furniture and fixtures	267,148	508,000	775,148	15	116,272	658,876
Electric equipment	204,530	70,749	275,279	20	55,056	220,223
Office equipment	20,850	-	20,850	20	4,170	16,680
Building	139,963	-	139,963	5	6,998	132,965
Diesel engine	19,867	-	19,867	20	3,973	15,894
Computers and accessories	-	13,000	13,000	30	3,900	9,100
Garden equipment	17,311	-	17,311	10	1,731	15,580
Total 2016	<u>669,669</u>	<u>591,749</u>	<u>1,261,418</u>		<u>192,100</u>	<u>1,069,318</u>
Total 2015	<u>683,341</u>	<u>121,259</u>	<u>804,600</u>		<u>134,931</u>	<u>669,669</u>

Note 5, Property and equipment - contd ...

5.6 Sir Syed College of Computer Science (Owned)

Particulars	Written down value as at July 01, 2015	Additions	As at June 30, 2016	Rate	Depreciation for the year	Written down value as at June 30, 2016
	Rupees	Rupees	Rupees	%	Rupees	Rupees
Computers and accessories	136,995	528,342	665,337	30	199,601	465,736
Electric equipment	472,212	131,852	604,064	20	120,813	483,251
Furniture and fixtures	-	221,900	221,900	15	33,285	188,615
Laboratory equipment	24,370	154,639	179,009	20	35,802	143,207
Office equipment	-	14,150	14,150	20	2,830	11,320
Total 2016	<u>633,577</u>	<u>1,050,883</u>	<u>1,684,460</u>		<u>392,331</u>	<u>1,292,129</u>
Total 2015	<u>-</u>	<u>816,435</u>	<u>816,435</u>		<u>182,858</u>	<u>633,577</u>

Note 6

Capital Work in Progress

Description	S.A. Mannan Hostel	Education Block	Sir Syed Computer College	Boundary Wall	Staff Quarters	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2014	21,752,556	14,331,507	5,674,205	626,047	301,736	42,686,051
Additions	-	199,580	-	995,448	666,876	1,861,904
Transfer to buildings	(21,752,556)	-	(4,212,509)	(1,621,495)	-	(27,586,560)
Preliminary expenses for Sir Syed College of Computer Science	-	-	(1,461,696)	-	-	(1,461,696)
Balance as at June 30, 2015	-	14,531,087	-	-	968,612	15,499,699
Additions	-	-	-	-	86,608	86,608
Transfer to buildings	-	(13,994,954)	-	-	-	(13,994,954)
Balance as at June 30, 2016	<u>-</u>	<u>536,133</u>	<u>-</u>	<u>-</u>	<u>1,055,220</u>	<u>1,591,353</u>

Note 7

Intangible Assets

	2016	2015
	Rupees	Rupees
Net carrying value basis		
Opening net book value	162,197	216,263
Amortization charge	(40,549)	(54,066)
Closing net book value	<u>121,648</u>	<u>162,197</u>
Amortization rate per annum	<u>25%</u>	<u>25%</u>

7.1 Amortization is charged to Gulberg School and Manga School equally.

Note 8

Stocks and Stores

	2016	2015
	Rupees	Rupees
The Tehzibul Akhlaq Trust Office, Lahore	10,000	-
Aligarh Public School and College for Women, Lahore	324,290	298,249
Aligarh Public School, Manga	887,526	660,825
Sir Syed College of Computer Science	41,736	-
	<u>1,263,552</u>	<u>959,074</u>

8.1 Stocks and stores include kindergarten and nursery equipment, crockery and utensils, sports goods, science laboratory equipment, psychology instruments, library books, prospectus and progress reports etc.

Note 9

Advances, Deposits and Other Receivables

	2016	2015
	Rupees	Rupees
Advances to suppliers and contractor	632,518	690,000
Accrued profit	639,115	238,761
Fees and funds receivable	7,710,366	2,938,306
Anjumanul farz (Duty loan)/ general welfare fund	24,200	246,000
Income tax deducted at source	1,072,032	729,591
Others	215,873	24,500
	<u>10,294,104</u>	<u>4,867,158</u>

Note 10

Short Term Investment

		2016	2015
	Note	Rupees	Rupees
Term deposit certificate - MCB Bank Limited	10.1	<u>13,000,000</u>	<u>13,000,000</u>

10.1 This represents investment in term deposit certificates of MCB Bank Limited A/c No. 0021802010032973 that carries profit at the rate of 5.95% (2014: 5.73%) per annum effectively.

Note 13

Surplus on Revaluation of Property and Equipment

	2016	2015
	Rupees	Rupees
Land - freehold	496,962,023	496,962,023
Buildings on freehold land	72,448,969	72,448,969
	<u>569,410,992</u>	<u>569,410,992</u>

13.1 Revaluation of land and building of the Trust's Head Office and Gulberg campus was carried out by an independent valuer M/s Riyadh & Co. as on January 14, 2012. The fair value adjustment was recorded on a net replacement value basis.

Note 14

Deferred Income

	Utilization of Grants			Total
	Manga School	S.A. Mannan Hostel	Dining Hall	
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2014	-	2,400,000	-	2,400,000
Purchase of property and equipment	458,900	-	-	458,900
Capital work in progress	-	-	5,000,000	5,000,000
Amortization during the year	(68,835)	(120,000)	(250,000)	(438,835)
Balance as at June 30, 2015	390,065	2,280,000	4,750,000	7,420,065
Purchase of property and equipment	591,749	-	-	591,749
Amortization during the year	(147,272)	(114,000)	(237,500)	(498,772)
Balance as at June 30, 2016	<u>834,542</u>	<u>2,166,000</u>	<u>4,512,500</u>	<u>7,513,042</u>

Note 15

Security Deposits

	2016	2015
	Rupees	Rupees
Students	15,773,571	14,719,657
Teachers	518,336	523,830
Non - teaching staff	85,606	111,379
	<u>16,377,513</u>	<u>15,354,866</u>

Note 16

Creditors, Accrued and Other Liabilities

	2016	2015
	Rupees	Rupees
Expenses payable	2,186,589	1,021,190
Provident fund payable	-	35,894
Salaries and other benefits payable	14,799	234,284
Advance fee	2,456,758	3,243,338
Income tax payable	-	4,080
Retention money	-	345,367
	<u>4,658,146</u>	<u>4,884,153</u>

Note 17

Contingencies and Commitments

17.1 Various parties have filed suits against the Trust and vice versa in respect of a piece of land measuring 13 Kanals and 3 Marlas that was donated to the Trust by Maj. (R) Agha Qutab Shah (late) in 2003. The Trust has not recorded this piece of land in its books of accounts.

17.2 Commitments

The Trust has a commitment in respect of construction in Manga School.

	2016	2015
	Rupees	Rupees
Education Block	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

Note 18

Segment Reporting

18.1 A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Executive Officer for allocation of resources and assessments of performance. Based on internal management reporting structure and services provided, the Trust is organized into the following four operating segments:

- Trust Office
- Gulberg School
- Manga School
- Manga Mess
- Sir Syed College of Computer Science (SCOCS)

The management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including profit from operations, reduction in operating cost and free cash flows. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment assets include all operating assets used by a segment and consist principally of receivables, stores and property, plant and equipment, net of impairment and provisions. Segment liabilities include all operating liabilities and consist principally of security deposits.

18.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2016 is as follows.

	Trust Office	Gulberg School	Manga School	Manga Mess	SCOCS	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment Results for the year ended June 30, 2016						
Income	8,538,157	51,669,016	36,222,025	13,638,403	6,144,000	116,211,601
Interest income	1,350,106	4,134	27,911	-	-	1,382,151
Other operating expenses	(12,841,011)	(40,612,247)	(32,877,421)	(9,957,710)	(8,235,011)	(104,523,400)
Interest expense	-	-	-	-	-	-
(Deficit) / surplus before depreciation and amortisation	(2,952,748)	11,060,903	3,372,515	3,680,693	(2,091,011)	13,070,352
Depreciation and amortization	(7,315,380)	(1,483,656)	(3,345,902)	-	(392,331)	(12,537,269)
(Deficit) / surplus for the year	(10,268,128)	9,577,247	26,613	3,680,693	(2,483,342)	533,083
Segment Results for the year ended June 30, 2015						
Income	5,566,590	52,376,266	32,428,828	13,592,054	1,261,700	105,225,438
Interest income	1,286,469	5,860	33,638	-	-	1,325,967
Other operating expenses	(10,902,841)	(39,301,285)	(32,546,650)	(9,689,069)	(6,468,117)	(98,907,962)
Interest expense	(194,246)	-	-	-	-	(194,246)
(Deficit) / surplus before depreciation and amortisation	(4,244,028)	13,080,841	(84,184)	3,902,985	(5,206,417)	7,449,197
Depreciation and amortization	(7,981,580)	(1,618,501)	(2,528,669)	-	(182,858)	(12,311,608)
(Deficit) / surplus for the year	(12,225,608)	11,462,340	(2,612,853)	3,902,985	(5,389,275)	(4,862,411)
Segment asset and liabilities as at June 30, 2016						
Reportable segment assets	643,861,702	9,927,828	56,217,048	-	4,326,524	714,333,102
Expenditure for reportable segment non-current assets	192,100	857,219	1,122,520	-	1,050,883	3,222,722
Reportable segment liabilities	29,584	9,805,162	10,941,528	-	259,385	21,035,659

Note 18, Segment Reporting - Continued...

Note 18.3.2

Aligarh Public School and College for Women, Lahore

	Note	2016 Rupees	2015 Rupees
INCOME			
Unrestricted income			
Income from school / student related activities:			
- Tuition fee and other funds - net	18.3.2.1	48,568,659	48,835,073
- Admission fees / test fees		1,237,960	1,630,325
- Examination and other fees		1,383,290	1,404,185
- Forfeited student securities		277,400	217,300
- Profit on sale of progress reports / prospectus		102,300	173,300
		51,569,609	52,260,183
Income from other sources:			
- Rental income		36,787	72,458
- Miscellaneous income		47,360	38,011
- Balances written back		15,260	5,614
- Profit on bank account		4,134	5,860
		103,541	121,943
		<u>51,673,150</u>	<u>52,382,126</u>
EXPENDITURE			
Expenses funded by unrestricted income			
Salaries and other benefits:			
- Salary expense		25,906,087	25,944,156
- EOBI		398,121	416,922
- Provident fund		1,043,691	1,042,749
- Social security		381,685	423,959
- Other benefits		320,790	322,955
Repairs and maintenance		2,660,431	2,738,742
Petrol, oil and lubricant		285,766	362,498
Students' related activity		1,062,580	941,887
Examination expense		540,273	578,626
Laboratory expense		-	54,560
Utilities		1,463,527	1,535,515
Printing and stationery		1,001,217	861,079
Advertisement		2,097,523	2,049,346
Safety and security		1,345,706	1,149,610
Teachers' training expenses		5,000	-
Telephone, postage and internet		147,577	174,813
Travelling and conveyance		142,355	115,265
Insurance		16,750	16,750
Audit fee		61,500	79,415
Entertainment		22,628	109,989
Golden jubilee expenses		1,201,960	-
Stocks and stores consumed		98,000	29,595
Fees and subscription		2,000	29,706
Bank charges		8,530	7,270
Parking fee		18,000	18,000
Balances written-off		-	243,812
Magazine expenses		340,000	-
Amortization	7.1	20,275	27,033
Depreciation	5.2 & 5.3	1,503,931	1,645,534
		42,095,903	40,919,786
Surplus for the Year		<u>9,577,247</u>	<u>11,462,340</u>

18.3.2.1 Tuition fee and other funds- net

Tuition fee and other funds- gross	63,115,815	62,223,333
Fee concession to students	(14,547,156)	(13,388,260)
Tuition fee and other funds- net	<u>48,568,659</u>	<u>48,835,073</u>

Note 18, Segment Reporting - Continued...

Note 18.3.3

Aligarh Public School, Manga

	Note	2016 Rupees	2015 Rupees
INCOME			
Unrestricted income			
Income from school / student related activities:			
- Tuition fee and other funds - net	18.3.3.1	32,830,740	28,880,908
- Admission fees / test fees		1,089,000	1,099,153
- Examination and other fees		1,369,562	1,283,932
- Forfeited student securities		233,952	270,980
- Sale of progress reports / prospectus		106,000	108,450
		35,629,254	31,643,423
Income from other sources:			
- Donations		43,999	287,780
- Profit on bank accounts		27,911	33,638
- Balances written back		-	8,790
- Rental income from canteen		50,000	50,000
		121,910	380,208
		35,751,164	32,023,631
Restricted income			
- Amortisation of deferred income	14	498,772	438,835
		36,249,936	32,462,466
EXPENDITURE			
Expenses funded by unrestricted income			
Salaries and other benefits:			
- Salary expense		23,244,008	23,079,865
- EOBI		442,400	500,800
- Provident fund		886,682	882,483
- Social security		749,874	672,003
- Other benefits		64,540	41,155
Repairs and maintenance		2,233,500	2,333,589
Petrol, oil and lubricant		1,445,276	1,549,808
Students' related activity		914,283	849,426
Examination expenses		125,425	149,061
Laboratory expense		-	117,919
Utilities		505,573	519,091
Telephone, postage and internet		207,793	244,053
Travelling and conveyance		455,634	466,322
Store consumption		2,223	95,618
Insurance		14,454	14,454
Legal and professional charges		2,935	32,828
Audit fee		61,500	69,767
Fees and subscription		48,000	40,000
Advertisement		528,781	480,765
Printing and stationery		79,688	105,633
Entertainment		139,558	145,312
Qutab shah campus expenses		612,998	-
Bank charges		57,774	19,980
Balances written-off		3,488	76,142
Miscellaneous		10,484	6,510
Amortization	7.1	20,275	27,033
Depreciation	5.4 & 5.5	3,366,177	2,555,702
		36,223,323	35,075,319
Surplus / (Deficit) for the Year		26,613	(2,612,853)
18.3.3.1 Tuition fee and other funds- net			
Tuition fee and other funds- gross		37,582,602	33,558,309
Fee concession to students		(4,751,862)	(4,677,401)
Tuition fee and other funds- net		32,830,740	28,880,908

Note 18, Segment Reporting - Continued...

Note 18.3.4

Aligarh Public School Mess, Manga

INCOME

Unrestricted income

Mess fund

Hostel income

EXPENDITURE

Expenses funded by unrestricted income

Salaries - mess staff

Utilities

Mess expenses

Cleaning expenses

Surplus for the Year

Note 18.3.5

Sir Syed College of Computer Science

INCOME

Unrestricted income

- Tuition fee and other funds

- Admission fees / test fees

- Sale of progress reports / prospectus

- Sale of scrape

Restricted income

- Tuition Fee against restricted fund

EXPENDITURE

Expenses funded by unrestricted income

Salaries and other benefits:

- Salary expense

- EOBI

- Provident fund

Repairs and maintenance

Students' related activity

Examination expenses

Utilities

Telephone, postage and internet

Travelling and conveyance

Safety and security

Audit fee

Fees and subscription

Advertisement and publicity

Printing and stationery

Entertainment

Cleaning expenses

Miscellaneous

Depreciation

Deficit for the Year

18.3.4.1 Tuition fee and other funds- net

Tuition fee and other funds- gross

Fee concession to students

	2016	2015
Note	Rupees	Rupees
INCOME		
Unrestricted income		
Mess fund	8,556,235	8,606,166
Hostel income	5,082,168	4,985,888
	<u>13,638,403</u>	<u>13,592,054</u>
EXPENDITURE		
Expenses funded by unrestricted income		
Salaries - mess staff	1,381,734	1,329,182
Utilities	1,514,333	1,353,267
Mess expenses	7,046,513	6,990,255
Cleaning expenses	15,130	16,365
	<u>9,957,710</u>	<u>9,689,069</u>
Surplus for the Year	<u>3,680,693</u>	<u>3,902,985</u>
INCOME		
Unrestricted income		
- Tuition fee and other funds	3,363,000	237,400
- Admission fees / test fees	330,000	360,000
- Sale of progress reports / prospectus	-	1,800
- Sale of scrape	6,000	-
	<u>3,699,000</u>	<u>599,200</u>
Restricted income		
- Tuition Fee against restricted fund	2,445,000	662,500
	<u>6,144,000</u>	<u>1,261,700</u>
EXPENDITURE		
Expenses funded by unrestricted income		
Salaries and other benefits:		
- Salary expense	6,192,919	4,951,109
- EOBI	23,600	18,400
- Provident fund	30,943	31,476
Repairs and maintenance	129,715	247,453
Students' related activity	23,494	-
Examination expenses	81,455	6,825
Utilities	194,436	92,848
Telephone, postage and internet	67,239	12,360
Travelling and conveyance	17,910	26,190
Safety and security	298,000	274,000
Audit fee	41,000	9,716
Fees and subscription	122,500	50,000
Advertisement and publicity	845,015	599,374
Printing and stationery	26,600	69,807
Entertainment	54,314	61,780
Cleaning expenses	43,083	8,815
Miscellaneous	42,788	7,964
Depreciation	392,331	182,858
	<u>8,627,342</u>	<u>6,650,975</u>
Deficit for the Year	<u>(2,483,342)</u>	<u>(5,389,275)</u>
18.3.4.1 Tuition fee and other funds- net		
Tuition fee and other funds- gross	4,908,000	237,400
Fee concession to students	(1,545,000)	-

Note 19

Authorization of Financial Statements

These financial statements have been authorized by the Executive Committee for issuance on _____.

30 DEC 2015

Note 20

General

Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison. No re-arrangements / re-classifications have been made in these financial statements for better presentation:

HONORARY SECRETARY GENERAL

FINANCE MANAGER