

**FINANCIAL STATEMENTS
OF
PROFESSIONAL EDUCATION FOUNDATION
FOR THE YEAR ENDED
JUNE 30th, 2014**

AUDITORS' REPORT TO THE TRUSTEES

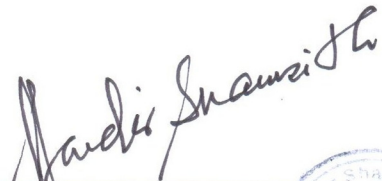


We have audited the annexed balance sheet of the **PROFESSIONAL EDUCATION FOUNDATION** as at June 30, 2014 and the related income and expenditure account and cash flow statement together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended.

It is the responsibility of the trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the **PROFESSIONAL EDUCATION FOUNDATION** as at June 30, 2014 and of its surplus and cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: October 31st, 2014
Place Karachi

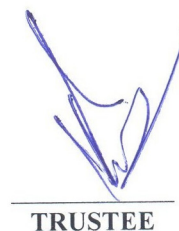

 **HAIDER SHAMSI & CO.**
(Chartered Accountants)
Mirza Hyder Hussain Baig


**PROFESSIONAL EDUCATION FOUNDATION
BALANCE SHEET
AS AT JUNE 30, 2014**

	Note	2014	2013
		Rupees	
Non-current assets			
Property, plant and equipment	03	87,264	33,851
Current assets			
Short term investments	04	11,750,000	16,750,000
Advances, deposits and prepayment	05	234,452	370,504
Other receivables	06	401,033	280,374
Cash and bank balances	07	9,043,369	2,043,851
		21,428,854	19,444,729
Liabilities			
Accrued expenses	08	183,294	121,264
		21,332,824	19,357,316
Funded by:			
Accumulated fund - <i>at beginning</i>		19,357,316	15,073,479
Surplus for the year		1,975,508	4,283,837
Accumulated fund - <i>at end</i>		21,332,824	19,357,316

Note: The annexed notes form an integral part of these accounts.


MANAGING TRUSTEE


TRUSTEE

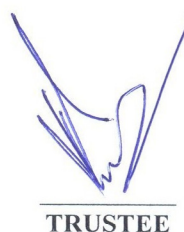
Karachi, October 31, 2014

**PROFESSIONAL EDUCATION FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014**

	Notes	2014 Rupees	2013
<i>Income against specific fund</i>			
Zakat receipts	09	7,675,459	5,861,370
Profit by bank - Zakat account	10	516,788	842,609
		8,192,247	6,703,979
<i>Expenditures</i>			
Zakat distribution		11,469,340	11,300,860
Bank charges		1,552	1,743
		11,470,892	11,302,603
Total specific funds surplus for the year		(3,278,645)	(4,598,624)
<i>Income against general fund</i>			
Donation receipts	11	18,985,281	14,634,041
Profit by bank - Donation account	12	800,448	393,970
		19,785,729	15,028,011
<i>Expenditure</i>			
Donation distributed		10,483,223	3,790,651
Operating expenses	13	4,362,273	2,354,899
Disbursement from general funds		14,845,496	6,145,550
Other receipts	14	313,920	-
Total general fund surplus for the year		5,254,153	8,882,461
Total excess of income over expenditure		1,975,508	4,283,837
General and specific funds - start of the year		19,357,316	15,073,479
General and specific funds - end of year		21,332,824	19,357,316

Note: The annexed notes form an integral part of these accounts


MANAGING TRUSTEE


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Karachi, October 31, 2014

**PROFESSIONAL EDUCATION FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013
<i>Cash flow from operating activities</i>			
Surplus before taxation		1,975,508	4,283,837
<i>Adjustment for non-cash and other items</i>			
Accrued investment income		68,341	(280,374)
Gain on disposal of fixed assets		(920)	-
Depreciation		21,953	7,472
		<u>2,064,881</u>	<u>4,010,935</u>
<i>Working capital changes</i>			
Accrued expenses		62,030	44,668
Other receivables		(189,000)	-
Advances, deposits and prepayments		150,000	(160,000)
		<u>2,087,911</u>	<u>3,895,603</u>
Taxes paid		(13,948)	(95,626)
<i>Cash generated from operating activities</i>		<u>2,073,963</u>	<u>3,799,977</u>
<i>Cash flow from investing activities</i>			
Additions to fixed assets		(76,445)	-
Sale of fixed assets		2,000	-
Investments made		-	(10,250,000)
Investments encashed		5,000,000	6,000,000
<i>Cash generated from investing activities</i>		<u>4,925,555</u>	<u>(4,250,000)</u>
<i>Cash flow from financing activities</i>			
		-	-
		<u>6,999,518</u>	<u>(450,023)</u>
Cash and cash equivalent - at start		2,043,851	2,493,874
Cash and cash equivalent - at end	07	<u>9,043,369</u>	<u>2,043,851</u>


MANAGING TRUSTEE

Karachi, October 31, 2014


TRUSTEE

**PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2014**

FUNDS	Specific-Zakat	General- Donation	Total
Balance as at 30-06-12	7,558,905	7,514,574	15,073,479
Income during the year	9,703,979	12,028,011	21,731,990
Transfer to/(from)	3,000,000	(3,000,000)	-
Expenditures	(11,302,603)	(6,145,550)	(17,448,153)
Balance as at 30-06-13	8,960,281	10,397,035	19,357,316
Income during the year	8,192,247	20,099,649	28,291,895
Expenditures	(11,470,892)	(14,845,496)	(26,316,388)
Balance as at 30-06-14	5,681,636	15,651,188	21,332,824


MANAGING TRUSTEE


TRUSTEE

Karachi, October 31, 2014

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2014**

01. The Foundation

The "Professional Education Foundation" has been declared as irrevocable trust by the trustees on the 22nd day of January, 2009 at Karachi and registered as a Public Charitable Trust with the Sub Registrar, Jamshed Town, Karachi on 23rd day of January 2009 under Registration No. 34, Book No. IV and the MF Roll No.U8555/5647, of the Photo Registrar, Karachi dated February 12, 2009. The registered office of the trust is located at OTC, 20C, 26th Street, Tauheed Commercial Area, Phase-V, DHA, , Karachi. The major object of the trust is to provide help to the needy and provide assistance to deserving students.

02 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

02.1 Statement of compliance

These financial statements have been prepared in accordance with the Trust Deed and the approved accounting standards as applicable in Pakistan. Wherever, the requirements of the trust deed differ with the requirements of these standards, the requirements of the trust deed shall prevail.

02.2 Basis of measurement

These financial statements have been prepared under historical cost convention.

02.3 Property, plant and equipment

Fixed assets are stated at historical cost less accumulated depreciation on diminishing balance method at the rates specified in the notes to the accounts. Minor renewals and replacements are charged to profit and loss account. Major renewals and replacement are capitalized.

Full year's depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal.

02.4 Investments

The investments are stated at cost as per rules of the trust.

02.5 Revenue recognition

The income from investments is recognized on accrual basis.
Revenue on account of donation is recognized on cash basis.

03. **Property, plant and equipment**

Fixed assets - tangible

	Computer & Accessories	Furniture & Fixtures	Leasehold Improvements	Total
Balance as at June 30, 2012	24,750	-	48,700	73,450
Addition during the year	-	-	-	-
Balance as at June 30, 2013	24,750	-	48,700	73,450
Addition during the year	48,445	28,000	-	76,445
Deletion during the year	(4,500)	-	-	(4,500)
Balance as at June 30, 2014	68,695	28,000	48,700	145,395

ACCUMULATED DEPRECIATION

	30%	10%	15%	
Rate of depreciation				
Balance as at June 30, 2012	16,261	-	15,866	32,127
Depreciation expense	2,547	-	4,925	7,472
Balance as at June 30, 2013	18,808	-	20,791	39,599
Deletion during the year	(3,420)	-	-	(3,420)
Depreciation expense	14,966	2,800	4,186	21,953
Balance as at June 30, 2014	30,354	2,800	24,977	58,131
Carrying amount				
As at June 30, 2014	38,341	25,200	23,723	87,264

04. **Short term investments**

		2014 Rupees	2013 Rupees
Certificate of Islamic Investment	04.1	3,000,000	6,500,000
Habib Islamic Investment Certificate	04.2	8,750,000	10,250,000
		11,750,000	16,750,000

04.1 Certificate of Islamic Investments

From donation fund	3,000,000	3,000,000
From zakat fund	-	3,500,000
	3,000,000	6,500,000

The trust has made short term investment in Habib Islamic Investment Certificate issued by Habib Metropolitan Bank Ltd. The maturity period varies from 03 months to twelve months. Profit is to be allowed on maturity.

	2014 Rupees	2013 Rupees
04.2 Habib Islamic Investment Certificate		
From donation fund	8,750,000	8,750,000
From zakat fund	-	1,500,000
	8,750,000	10,250,000

The trust has made short term investment in Habib Islamic Investment Certificate issued by Habib Metropolitan Bank Ltd. The maturity period varies from 03 months to twelve months. Profit is to be allowed on maturity.

	2014 Rupees	2013 Rupees *
05. Advances, deposits and prepayment		
Prepaid expense -Advertisement & Exhibition	-	160,000
Advance tax u/s 151	224,452	210,504
Security Deposits-OCS	10,000	-
	<u>234,452</u>	<u>370,504</u>
06. Other receivables		
Bank profit accrued	212,033	280,374
Other receivables	189,000	-
	<u>401,033</u>	<u>280,374</u>
07. Cash and bank balances		
Cash in Hand	2,785	2,175
Cash at bank - in deposit account		
Meezan Bank Limited - Donation Account	8,504,592	283,468
Meezan Bank Limited - Zakat Account	399,433	523,278
Habib Metropolitan Bank - Zakat Account	58,150	1,059,334
Habib Metropolitan Bank - Donation Account	78,409	175,596
	<u>9,040,584</u>	<u>2,041,676</u>
	<u>9,043,369</u>	<u>2,043,851</u>
08. Accrued expenses		
Audit fee payable	10,000	10,000
Rent payable	25,000	25,000
Salaries payable	142,277	46,000
Maintenance charges payable	5,000	-
Other Liabilities	-	37,080
Withholding tax payable	1,017	3,184
	<u>183,294</u>	<u>121,264</u>
09 Zakat receipts		
Zakat receipts	7,675,459	5,861,370
	<u>7,675,459</u>	<u>5,861,370</u>
10 Profit by bank - Zakat Account		
Profit on Certificate of Islamic Investment	219,796	46,803
Profit on Habib Islamic Investment Certificate	31,223	711,747
Profit on bank deposits	265,768	84,059
	<u>516,788</u>	<u>842,609</u>
11 Donation receipts		
Donation receipts	18,985,281	14,634,041
	<u>18,985,281</u>	<u>14,634,041</u>
12 Profit by bank - Donation Account		
Profit on bank deposits	289,740	107,364
Profit on Certificate of Islamic Investment	185,197	29,420
Profit on Habib Islamic Investment Certificate	325,510	257,186
	<u>800,448</u>	<u>393,970</u>

		2014 Rupees	2013, Rupees
13 Operating expenses			
Salaries expenses		1,405,002	564,595
Rent expenses		300,000	248,000
Utility expense		47,127	-
Postage and telegram		40,827	-
Communication expense		29,550	-
Computer expense		15,300	-
Travelling and conveyance		33,635	114,915
Advertisement and exhibition		795,685	115,256
Repair and maintenance		68,180	72,550
Legal and professional		-	196,000
Printing and stationery		54,558	73,545
Audit fee		10,000	10,000
Miscellaneous		21,988	62,739
Depreciation		21,953	7,472
Carnival Expense		1,476,899	831,527
Others	13.1	41,569	58,300
		<u>4,362,273</u>	<u>2,354,899</u>
13.1 Others			
Website expense		41,569	58,300
		<u>41,569</u>	<u>58,300</u>
14 Other receipts			
PEF carnival - ticket sale		313,000	-
Gain on disposal of fixed asset	14.1	920	-
		<u>313,920</u>	<u>-</u>
14.1 Gain on disposal of fixed assets - Computer			
Cost		4,500	-
less: accumulated depreciation		(3,420)	-
Net book value		1,080	-
Sales proceed		2,000	-
Gain on disposal of fixed assets		920	-

15 Date of authorization for issue

These financial statements were authorized for issue on October 31, 2014 by the Board of trustees of the trust.

Figures have been rounded off to the nearest whole rupee.


MANAGING TRUSTEE


TRUSTEE

Karachi, October 31, 2014