

**FINANCIAL STATEMENTS
OF
PROFESSIONAL EDUCATION FOUNDATION
FOR THE YEAR ENDED
JUNE 30th, 2016**

Auditors' Report to the Trustees

We have audited the accompanying financial statements of PROFESSIONAL EDUCATION FOUNDATION, which comprise of the statement of financial position as at June 30, 2016, and the statement of income and expenditure, the statement of changes in fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial statements

The Trustees 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 Trustees 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

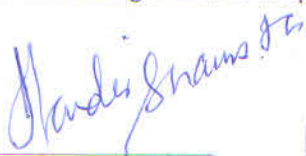
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 Trustees, 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 fairly, in all material respects, the financial position of PROFESSIONAL EDUCATION FOUNDATION as at June 30, 2016, statement of income and expenditure, the statement of changes in fund and the statement of cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.


Haider Shamsi & Co.
Chartered Accountants
Engagement Partner: Mirza Hyder Hussain Baig



Dated: October 18, 2016
Karachi

PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

	Note	2016	2015
		---- Rupees ----	
Non-current assets			
Tangible fixed assets	3	537,172	625,403
Current assets			
Short term investments	4	17,400,000	14,500,000
Advances and deposits	5	567,100	521,441
Profit receivable		78,485	153,042
Cash and bank balances	6	1,060,440	2,097,519
		19,106,025	17,272,002
Liabilities			
Accrued expenses	7	272,637	74,486
Advance for events		500,000	-
		<u>18,870,560</u>	<u>17,822,919</u>
Funded by:			
Accumulated funds - <i>at beginning</i>		17,822,919	21,332,824
Surplus / (Deficit) for the year		1,047,641	(3,509,905)
Accumulated funds - <i>at end</i>		<u>18,870,560</u>	<u>17,822,919</u>

The annexed notes from 1 to 13 form an integral part to these financial statements.


MANAGING TRUSTEE


TRUSTEE

Karachi: October 18, 2016

**PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2016**

	Notes	2016 ---- Rupees ----	2015
Income from Zakat			
Zakat receipts		17,419,401	11,001,566
Profit by bank - Zakat account	8	221,862	323,979
		<u>17,641,263</u>	<u>11,325,545</u>
Less: Expenditures from Zakat			
Zakat distribution		17,545,516	24,240,532
Bank charges		-	3,168
		<u>17,545,516</u>	<u>24,243,700</u>
Net income from Zakat		95,747	(12,918,155)
Income from Donations			
Donation receipts		22,708,710	20,693,803
Profit by bank - Donation account	9	1,188,320	889,578
		<u>23,897,030</u>	<u>21,583,381</u>
Expenditures			
Donation distributed		23,796,054	8,913,273
Operating expenses	10	4,907,224	4,142,538
		<u>28,703,278</u>	<u>13,055,811</u>
Net income from Donations		(4,806,248)	8,527,570
Income from Events			
Revenue from events		7,310,000	-
Less: Expenses for event and related activities		1,551,858	-
Net income from Events		<u>5,758,142</u>	<u>-</u>
Other receipts	11	-	880,680
Total excess of expenditure over income		1,047,641	(3,509,905)
Accumulated funds - start of the year		17,822,919	21,332,824
Accumulated funds - end of year		<u>18,870,560</u>	<u>17,822,919</u>

The annexed notes from 1 to 13 form an integral part to these financial statements.


MANAGING TRUSTEE

Karachi: October 18, 2016


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PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 ---- Rupees ----	2015
<i>Cash flow from operating activities</i>			
Surplus / (Deficit) before taxation		1,047,641	(3,509,905)
<i>Adjustment for non-cash and other items</i>			
Depreciation		88,231	52,715
		<u>1,135,872</u>	<u>(3,457,190)</u>
<i>Changes in Working capital</i>			
Decrease in profit receivable		74,557	247,991
(Increase) in advances and deposits		(9,000)	(270,000)
Increase in advance for events		500,000	-
Increase/(decrease) in accrued expenses		198,151	(108,808)
		<u>1,899,580</u>	<u>(3,588,007)</u>
Taxes paid		<u>(36,660)</u>	<u>(16,988)</u>
<i>Cash generated from/(used in) operating activities</i>		<u>1,862,920</u>	<u>(3,604,996)</u>
<i>Cash flow from investing activities</i>			
Additions to fixed assets		-	(590,854)
Short term investments		(2,900,000)	(2,750,000)
<i>Cash (used in) investing activities</i>		<u>(2,900,000)</u>	<u>(3,340,854)</u>
Net decrease in cash and cash equivalents		<u>(1,037,080)</u>	<u>(6,945,850)</u>
Cash and cash equivalent - at start		2,097,519	9,043,369
Cash and cash equivalent - at end	6	<u>1,060,440</u>	<u>2,097,519</u>


MANAGING TRUSTEE


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Karachi: October 18, 2016

**PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Specific Zakat fund	General Donation fund	Accumulated funds
Balance as at July 1, 2014	5,681,636	15,651,188	21,332,824
Income during the year	11,325,545	22,464,061	33,789,606
Expenditures	(24,243,700)	(13,055,811)	(37,299,511)
	(12,918,155)	9,408,250	(3,509,905)
Balance as at June 30, 2015	(7,236,519)	25,059,438	17,822,919
Income during the year	17,641,263	31,207,030	48,848,294
Expenditures	(17,545,516)	(30,255,136)	(47,800,652)
	95,747	951,894	1,047,641
Balance as at June 30, 2016	(7,140,772)	26,011,331	18,870,560


MANAGING TRUSTEE


TRUSTEE

Karachi: October 18, 2016

PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 Nature of Business and Legal Status of 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.

2 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.

2.1 Statement of compliance

These financial statements have been prepared in accordance approved accounting standards as applicable in Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention.

2.3 Tangible fixed assets

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.

2.4 Investments

The investments are stated at cost.

2.5 Revenue recognition

Profit from investments is recognized on accrual basis.

Revenue on account of Donation and Zakat is generally recorded on cash basis.

2.6 Expenses

Expenses are recognized, when incurred.

PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3 Tangible fixed assets

TANGIBLE ASSETS	Cost		Rate %	Accumulated depreciation		WDV as at June 30, 2016
	As at Jul 1, 2015	As at June 30, 2016		As at Jul 1, 2015	Charge for the year 2016	
Computer & accessories	126,095	126,095	30	45,634	24,138	56,323
Furniture & fixtures	378,705	378,705	10	25,743	35,296	317,666
Office equipment	231,449	231,449	15	39,469	28,797	163,183
Total - 2016	736,249	736,249		110,846	88,231	537,172

TANGIBLE ASSETS	Cost		Rate %	Accumulated depreciation		WDV as at June 30, 2015
	As at Jul 1, 2014	As at June 30, 2015		As at Jul 1, 2014	Charge for the year 2015	
Computer & accessories	68,695	126,095	30	30,354	15,280	80,461
Furniture & fixtures	28,000	378,705	10	2,800	22,943	352,962
Office equipment	48,700	231,449	15	24,977	14,492	191,980
Total - 2015	145,395	590,854		58,131	52,715	625,403

PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

		2016 Rupees	2015 Rupees
4 Short term investments			
Certificate of Islamic Investment - Meezan Bank Ltd.	4.1	8,000,000	11,500,000
Habib Islamic Investment Certificate	4.2	9,400,000	3,000,000
		<u>17,400,000</u>	<u>14,500,000</u>

4.1 These investments will mature in one year and bear profits at rates ranging between 4.5% to 8.45% (2015: 4.5% to 8.45%).

4.2 These investments will mature in one year and bear profits at rates ranging between 4.5% to 8.45% (2015: 4.5% to 8.45%).

		2016 Rupees	2015 Rupees
5 Advances and deposits			
Advance tax u/s 151		278,100	241,441
Advances to Javed		9,000	-
Security deposit - OCS		10,000	10,000
Security deposit - Rent		270,000	270,000
		<u>567,100</u>	<u>521,441</u>

6 Cash and bank balances

Cash in hand		54,343	20,170
<i>Cash at bank - in deposit account</i>			
Meezan Bank Limited - Donation Account		246,861	883,584
Meezan Bank Limited - Zakat Account		383,132	207,464
Habib Metropolitan Bank - Zakat Account		149,037	6,070
Habib Metropolitan Bank - Donation Account		227,066	980,232
	6.1	<u>1,006,097</u>	<u>2,077,349</u>
		<u>1,060,440</u>	<u>2,097,519</u>

6.1 These carry profit at rates ranging between 4.5% to 8.45% (2015: 4.5% to 8.45%), payable at each month end.

		2016 Rupees	2015 Rupees
7 Accrued expenses			
Audit fee payable		21,600	21,200
Leave encashment		-	31,241
Brand development		251,037	12,223
Other liabilities		-	9,822
		<u>272,637</u>	<u>74,486</u>

PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
8 Profit by bank - Zakat Account		
Profit on Certificate of Islamic Investment	108,801	76,306
Profit on Habib Islamic Investment Certificate	-	142,610
Profit on bank deposits	113,061	105,063
	<u>221,862</u>	<u>323,979</u>
9 Profit by bank - Donation Account		
Profit on bank deposits	232,591	168,882
Profit on Certificate of Islamic Investment	798,612	285,956
Profit on Habib Islamic Investment Certificate	157,117	434,740
	<u>1,188,320</u>	<u>889,578</u>
10 Operating expenses		
Salaries expenses	2,190,108	1,731,637
Rent expenses	790,931	762,500
Utility expense	57,055	112,271
Postage and telegram	46,101	27,423
Bank charges	3,777	-
Communication expense	32,014	18,380
Internet expense	24,404	20,430
Computer expense	15,230	45,580
Travelling and conveyance	107,398	15,930
Advertisement and exhibition	-	163,295
Repair and maintenance	30,748	151,167
Legal and professional	9,500	1,700
Brand development	1,383,062	170,655
Office shifting	-	86,227
Printing and stationery	31,172	30,260
Audit fee	21,600	21,200
Miscellaneous	58,692	32,440
Depreciation	88,232	52,715
Carnival expense	-	656,458
Website expense	17,200	42,270
	<u>4,907,224</u>	<u>4,142,538</u>

**PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

	2016 Rupees	2015 Rupees
11 Other receipts		
PEF carnival - ticket sale	-	592,283
Rental income	-	288,397
	<u>-</u>	<u>880,680</u>

12 Date of authorization for issue

These financial statements were authorized for issue on October 18, 2016 by the Board of trustees of the trust.

13 General

Figures have been rounded off to the nearest whole rupee.


MANAGING TRUSTEE


TRUSTEE

Karachi: October 18, 2016