

**FINANCIAL STATEMENTS
OF
PROFESSIONAL EDUCATION FOUNDATION
FOR THE YEAR ENDED
JUNE 30th, 2017**

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, 2017, and the statement of income and expenditure, the statement of cash flows and statement of changes in fund 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

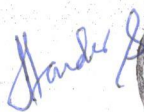
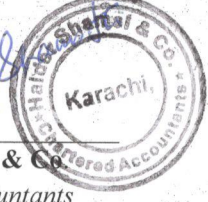
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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, 2017, statement of income and expenditure, the statement of cash flows and statement of changes in fund and for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.



Haider Shamsi & Co.
Chartered Accountants

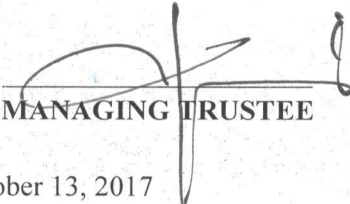
Engagement Partner: Mirza Hyder Hussain Baig

Dated: October 13, 2017
Karachi

**PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017**

	Note	2017 ---- Rupees ----	2016
Non-current assets			
Tangible fixed assets	3	2,281,320	537,172
Current assets			
Short term investments	4	17,700,000	17,400,000
Advances and deposits	5	1,192,715	567,100
Profit receivable		108,876	78,485
Cash and bank balances	6	3,816,060	1,060,440
		22,817,651	19,106,025
Liabilities			
Accrued expenses	7	108,072	272,637
Advance for events		-	500,000
		<u>24,990,899</u>	<u>18,870,560</u>
Funded by:			
Accumulated funds - <i>at beginning</i>		18,870,560	17,822,919
Surplus for the year		6,120,339	1,047,641
		<u>24,990,899</u>	<u>18,870,560</u>

The annexed notes from 1 to 12 form an integral part to these financial statements.


MANAGING TRUSTEE

Karachi: October 13, 2017


TRUSTEE

**PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2017**

	Notes	2017 ---- Rupees ----	2016
Income from Zakat			
Zakat receipts		21,629,311	17,419,401
Profit by bank - Zakat account	8	337,931	221,862
		<u>21,967,242</u>	<u>17,641,263</u>
Less: Expenditures from Zakat			
Zakat distribution		29,564,344	17,545,516
Net deficit from Zakat		(7,597,102)	95,747
Income from Donations			
Donation receipts		27,880,748	22,708,710
Profit by bank - Donation account	9	1,295,943	1,188,320
		<u>29,176,691</u>	<u>23,897,030</u>
Expenditures			
Donation distributed		28,814,428	23,796,054
Operating expenses	10	8,907,436	4,907,224
		<u>37,721,864</u>	<u>28,703,278</u>
Net deficit from Donations		(8,545,173)	(4,806,248)
Income from Events			
Revenue from events		26,367,397	7,310,000
Less: Expenses for event and related activities		4,104,783	1,551,858
Net income from Events		<u>22,262,614</u>	<u>5,758,142</u>
Surplus for the year		6,120,339	1,047,641
Accumulated funds - start of the year		18,870,560	17,822,919
Accumulated funds - end of year		<u><u>24,990,899</u></u>	<u><u>18,870,560</u></u>

The annexed notes from 1 to 12 form an integral part to these financial statements.


MANAGING TRUSTEE

Karachi: October 13, 2017


TRUSTEE

**PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 ---- Rupees ----	2016
<i>Cash flow from operating activities</i>			
Surplus before taxation		6,120,339	1,047,641
<i>Adjustment for non-cash and other items</i>			
Depreciation		378,287	88,231
		<u>6,498,626</u>	<u>1,135,872</u>
<i>Changes in Working capital</i>			
Decrease / (Increase) in profit receivable		(30,391)	74,557
(Increase) in advances and deposits		(595,000)	(9,000)
(Increase) in advance for events		(500,000)	500,000
(Increase) / Decrease in accrued expenses		(164,565)	198,151
		<u>5,208,670</u>	<u>1,899,580</u>
Taxes paid		(30,615)	(36,660)
<i>Cash generated from operating activities</i>		<u>5,178,055</u>	<u>1,862,920</u>
<i>Cash flow from investing activities</i>			
Additions to fixed assets		(2,122,435)	-
Short term investments		(300,000)	(2,900,000)
<i>Cash (used in) investing activities</i>		<u>(2,422,435)</u>	<u>(2,900,000)</u>
Net decrease in cash and cash equivalents		<u>2,755,620</u>	<u>(1,037,080)</u>
Cash and cash equivalent - at start		<u>1,060,440</u>	<u>2,097,519</u>
Cash and cash equivalent - at end	6	<u><u>3,816,060</u></u>	<u><u>1,060,440</u></u>

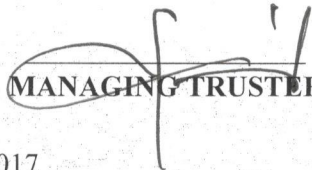

MANAGING TRUSTEE


TRUSTEE

Karachi: October 13, 2017

**PROFESSIONAL EDUCATION FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Specific Zakat fund	General fund	Accumulated funds
Balance as at July 1, 2015	(7,236,519)	25,059,438	17,822,919
Revenues 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
Revenues during the year	21,967,242	55,544,088	77,511,330
Expenditures	(29,564,344)	(41,826,647)	(71,390,991)
	(7,597,102)	13,717,441	6,120,339
Balance as at June 30, 2017	(14,737,874)	39,728,772	24,990,899


MANAGING TRUSTEE


TRUSTEE

Karachi: October 13, 2017

PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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 3rd Floor, Plot No 48C, 1st Commercial Lane, Khayaban-e-Bukhari, Phase VI 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, 2017

3 Tangible fixed assets

TANGIBLE ASSETS	Cost		Rate %	Accumulated depreciation			WDV as at June 30, 2017
	As at Jul 1, 2016	As at June 30, 2017		As at Jul 1, 2016	Charge for the year	As at June 30, 2017	
Computer & accessories	126,095	421,633	30	69,772	105,558	175,330	246,303
Furniture & fixtures	378,705	1,529,705	10	61,039	146,867	207,906	1,321,799
Office equipment	231,449	907,346	15	68,266	125,862	194,128	713,218
Total - 2017	736,249	2,858,684		199,077	378,287	577,364	2,281,320

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	As at June 30, 2016	
Computer & accessories	126,095	126,095	30	45,634	24,138	69,772	56,323
Furniture & fixtures	378,705	378,705	10	25,743	35,296	61,039	317,666
Office equipment	231,449	231,449	15	39,469	28,797	68,266	163,183
Total - 2016	736,249	736,249		110,846	88,231	199,077	537,172

PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

		2017 Rupees	2016 Rupees
4 Short term investments			
Certificate of Islamic Investment - Meezan Bank Ltd.	4.1	11,000,000	8,000,000
Habib Islamic Investment Certificate	4.2	6,700,000	9,400,000
		<u>17,700,000</u>	<u>17,400,000</u>

4.1 These investments will mature in one year and bear profits at rates ranging between 4% to 5.75% (2016: 4.5% to 8.45%).

4.2 These investments will mature in one year and bear profits at rates ranging between 4% to 5.75% (2016: 4.5% to 8.45%).

		2017 Rupees	2016 Rupees
5 Advances and deposits			
Advance tax u/s 151		308,715	278,100
Advances to Javed		9,000	9,000
Security deposit - OCS		10,000	10,000
Security deposit - Rent		865,000	270,000
		<u>1,192,715</u>	<u>567,100</u>

6 Cash and bank balances			
Cash in hand		54,975	54,343
<i>Cash at bank - in deposit account</i>			
Meezan Bank Limited - Donation Account		2,235,735	246,861
Meezan Bank Limited - Zakat Account		893,864	383,132
Habib Metropolitan Bank - Zakat Account		87,108	149,037
Habib Metropolitan Bank - Donation Account		544,378	227,066
	6.1	<u>3,761,085</u>	<u>1,006,097</u>
		<u>3,816,060</u>	<u>1,060,440</u>

6.1 These carry profit at rates ranging between 4% to 5.75% (2016: 4.5% to 8.45%), payable at each month end.

		2017 Rupees	2016 Rupees
7 Accrued expenses			
Audit fee payable		21,600	21,600
Brand development		-	251,037
Other liabilities		86,472	-
		<u>108,072</u>	<u>272,637</u>

PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	Rupees	Rupees
8 Profit by bank - Zakat Account		
Profit on Certificate of Islamic Investment	31,683	108,801
Profit on Habib Islamic Investment Certificate	224,617	-
Profit on bank deposits	81,631	113,061
	<u>337,931</u>	<u>221,862</u>
9 Profit by bank - Donation Account		
Profit on bank deposits	166,970	232,591
Profit on Certificate of Islamic Investment	438,929	798,612
Profit on Habib Islamic Investment Certificate	690,044	157,117
	<u>1,295,943</u>	<u>1,188,320</u>
10 Operating expenses		
Salaries expenses	4,773,446	2,190,108
Rent expenses	2,082,801	790,931
Utility expense	166,050	57,055
Postage and telegram	27,167	46,101
Bank charges	1,537	3,777
Communication expense	39,568	32,014
Internet expense	73,476	24,404
Computer expense	39,480	15,230
Travelling and conveyance	147,310	107,398
Repair and maintenance	156,914	30,748
Legal and professional	230,400	9,500
Brand development	638,713	1,383,062
Printing and stationery	17,681	31,172
Audit fee	21,600	21,600
Miscellaneous	113,006	58,692
Depreciation	378,287	88,232
Website expense	-	17,200
	<u>8,907,436</u>	<u>4,907,224</u>


**PROFESSIONAL EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

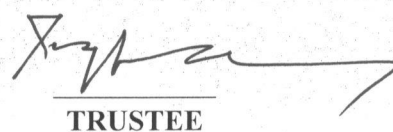
11 Date of authorization for issue

These financial statements were authorized for issue on October 13, 2017 by the Board of trustees of the trust.

12 General

Figures have been rounded off to the nearest whole rupee.


MANAGING TRUSTEE


TRUSTEE

Karachi: October 13, 2017