

FINANCIAL STATEMENTS  
OF  
**PROFESSIONAL EDUCATION FOUNDATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

## **Independent Auditor's Report to the Trustees**

We have audited the annexed financial statements of Professional Education Foundation, which comprise the statement of financial position as at June 30, 2018, the statement of income and expenditure, the statement of changes in fund, the statement of cash flow for the year then ended, and notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Professional Education Foundation as at June 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

### **Basis for Opinion**

We conducted our audit in accordance with the International Standards of Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of Professional Education Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Trustees are responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, Trustees are responsible for assessing the Foundation's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Syed Mahir Alam.

  
Chartered Accountants

Karachi, October 03, 2018



**PROFESSIONAL EDUCATION FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**

	Notes	2018	2017
		---- Rupees ----	
<b>Non-current assets</b>			
Tangible fixed assets	3	2,049,786	2,281,320
<b>Current assets</b>			
Short term investments	4	7,000,000	17,700,000
Advances and deposits	5	526,162	1,192,715
Receivables		10,372,534	108,876
Cash and bank balances	6	1,434,644	3,816,060
		19,333,340	22,817,651
<b>Liabilities</b>			
Accrued expenses	7	109,629	108,072
		21,273,497	24,990,899
<b>Funded by:</b>			
Accumulated funds - <i>at beginning</i>		24,990,899	18,870,560
(Deficit) / Surplus for the year		(3,717,402)	6,120,339
Accumulated funds - <i>at end</i>		21,273,497	24,990,899

The annexed notes from 1 to 15 form an integral part to these financial statements.

  
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 MANAGING TRUSTEE

  
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 TRUSTEE

Date: October 03, 2018  
 Karachi



**PROFESSIONAL EDUCATION FOUNDATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2018**

		2018	2017
	Notes	---- Rupees ----	
<b>Income from Zakat</b>			
Zakat receipts		23,114,223	21,629,311
Profit by bank - Zakat account	8	205,870	337,931
		<u>23,320,093</u>	<u>21,967,242</u>
<b>Less: Expenditures from Zakat</b>			
Zakat distribution		33,749,473	29,564,344
Net deficit in Zakat account		<u>(10,429,380)</u>	<u>(7,597,102)</u>
<b>Income from Donations</b>			
Donation receipts		35,395,285	27,880,748
Profit by bank - Donation account	9	1,367,442	1,295,943
		<u>36,762,727</u>	<u>29,176,691</u>
<b>Expenditures</b>			
Donation distributed		37,259,428	28,814,428
Net (deficit) / surplus in Donation account		<u>(496,701)</u>	<u>362,263</u>
<b>Income from Events</b>			
Revenue from events		30,962,050	26,367,397
Less: Expenses for event and related activities		13,264,103	4,104,783
Net income from Events		<u>17,697,947</u>	<u>22,262,614</u>
Operating expenses	10	<u>(10,489,268)</u>	<u>(8,907,436)</u>
(Deficit) / Surplus for the year		<u>(3,717,402)</u>	<u>6,120,339</u>
Accumulated funds - beginning of the year		24,990,899	18,870,560
Accumulated funds - end of year		<u>21,273,497</u>	<u>24,990,899</u>

The annexed notes from 1 to 15 form an integral part to these financial statements.



MANAGING TRUSTEE



TRUSTEE

Date: October 03, 2018  
Karachi

**PROFESSIONAL EDUCATION FOUNDATION  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Specific Zakat fund</b>	<b>General fund</b>	<b>Accumulated funds</b>
	-----Rupees-----		
<b>Balance as at June 30, 2016</b>	(7,140,772)	26,011,331	18,870,560
Receipts 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
<b>Balance as at June 30, 2017</b>	(14,737,874)	39,728,772	24,990,899
Receipts during the year	23,320,093	67,724,777	91,044,870
Expenditures	(33,749,473)	(61,012,799)	(94,762,272)
	(10,429,380)	6,711,978	(3,717,402)
<b>Balance as at June 30, 2018</b>	<b>(25,167,254)</b>	<b>46,440,750</b>	<b>21,273,497</b>

  
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**MANAGING TRUSTEE**

  
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**TRUSTEE**

Date: October 03, 2018  
Karachi

**PROFESSIONAL EDUCATION FOUNDATION  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
	---- Rupees ----	
<b>Notes</b>		
<i>Cash flow from operating activities</i>		
(Deficit) / Surplus before taxation	(3,717,402)	6,120,339
<i>Adjustment for non-cash and other items</i>		
Depreciation	330,934	378,287
	<u>(3,386,468)</u>	<u>6,498,626</u>
<i>Changes in Working capital</i>		
(Increase) in receivable	(10,263,658)	(30,391)
Decrease / (Increase) in advances and deposits	666,553	(595,000)
(Increase) in advance for events	-	(500,000)
(Decrease) / Increase in accrued expenses	1,557	(164,565)
	<u>(12,982,016)</u>	<u>5,208,670</u>
Taxes paid	-	(30,615)
<i>Cash generated from operating activities</i>	<u>(12,982,016)</u>	<u>5,178,055</u>
<i>Cash flow from investing activities</i>		
Acquisition of fixed assets		
Additions to fixed assets	(99,400)	(2,122,435)
Short term investments	10,700,000	(300,000)
<i>Cash (used in) investing activities</i>	<u>10,600,600</u>	<u>(2,422,435)</u>
Net decrease in cash and cash equivalents	<u>(2,381,416)</u>	<u>2,755,620</u>
Cash and cash equivalent - at start	3,816,060	1,060,440
Cash and cash equivalent - at end	6 <u>1,434,644</u>	<u>3,816,060</u>

The annexed notes from 1 to 15 form an integral part to these financial statements.

  
MANAGING TRUSTEE

  
TRUSTEE

Date: October 03, 2018  
Karachi

**PROFESSIONAL EDUCATION FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018

3 Tangible fixed assets

TANGIBLE ASSETS	Cost			Rate %	Accumulated depreciation			WDV as at June 30, 2018
	As at Jul 1, 2017	Additions	As at June 30, 2018		As at Jul 1, 2017	Charge for the year	As at June 30, 2018	
Computer and accessories	421,633	19,800	441,433	30	175,330	79,831	255,161	186,272
Furniture and fixtures	1,529,705	-	1,529,705	10	207,906	132,180	340,086	1,189,619
Office equipment	907,346	79,600	986,946	15	194,128	118,923	313,051	673,895
<b>Total - 2018</b>	<b>2,858,684</b>	<b>99,400</b>	<b>2,958,084</b>		<b>577,364</b>	<b>330,934</b>	<b>908,298</b>	<b>2,049,786</b>

TANGIBLE ASSETS	Cost			Rate %	Accumulated depreciation			WDV as at June 30, 2017
	As at Jul 1, 2016	Additions	As at June 30, 2017		As at Jul 1, 2016	Charge for the year	As at June 30, 2017	
Computer and accessories	126,095	295,538	421,633	30	69,772	105,558	175,330	246,303
Furniture and fixtures	378,705	1,151,000	1,529,705	10	61,039	146,867	207,906	1,321,799
Office equipment	231,449	675,897	907,346	15	68,266	125,862	194,128	713,218
<b>Total - 2017</b>	<b>736,249</b>	<b>2,122,435</b>	<b>2,858,684</b>		<b>199,077</b>	<b>378,287</b>	<b>577,364</b>	<b>2,281,320</b>

**PROFESSIONAL EDUCATION FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

		2018	2017
		----Rupees----	
<b>4 Short term investments</b>			
Certificate of Islamic Investment - Meezan Bank Limited	4.1	7,000,000	11,000,000
Habib Islamic Investment Certificate		-	6,700,000
		<u>7,000,000</u>	<u>17,700,000</u>

4.1 These investments will mature in one year and bear profits at rates ranging between 4% to 5.75% (2017: 4.5% to 8.45%) payable annually.

		2018	2017
		----Rupees----	
<b>5 Advances and deposits</b>			
Advance tax u/s 151		357,162	308,715
Advances to supplier		9,000	9,000
Security deposit - OCS		10,000	10,000
Security deposit - Rent		150,000	865,000
		<u>526,162</u>	<u>1,192,715</u>

<b>6 Cash and bank balances</b>			
Cash in hand		121,478	54,975
<i>Cash at bank - in deposit account</i>			
Meezan Bank Limited - Donation Account		964,149	2,235,735
Meezan Bank Limited - Zakat Account		205,588	893,864
Habib Metropolitan Bank - Zakat Account		134,205	87,108
Habib Metropolitan Bank - Donation Account		9,224	544,378
		<u>1,313,166</u>	<u>3,761,085</u>
		<u>1,434,644</u>	<u>3,816,060</u>

6.1 These carry profit at rates ranging between 4% to 5.75% (2017: 4.5% to 8.45%), payable on monthly basis.

		2018	2017
		----Rupees----	
<b>7 Accrued expenses</b>			
Audit fee payable		25,000	21,600
Other liabilities		84,629	86,472
		<u>109,629</u>	<u>108,072</u>

<b>8 Profit by bank - Zakat Account</b>			
Profit on Certificate of Islamic Investment		-	31,683
Profit on Habib Islamic Investment Certificate		-	224,617
Profit on bank deposits		205,870	81,631
		<u>205,870</u>	<u>337,931</u>

**PROFESSIONAL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
	----Rupees----	
<b>9 Profit by bank - Donation Account</b>		
Profit on bank deposits	245,447	166,970
Profit on Certificate of Islamic Investment	650,570	438,929
Profit on Habib Islamic Investment Certificate	471,425	690,044
	<u>1,367,442</u>	<u>1,295,943</u>
<b>10 Operating expenses</b>		
Salaries expenses	6,857,227	4,773,446
Rent, rates and taxes	1,887,500	2,082,801
Utility expense	268,645	166,050
Postage and telegram	58,679	27,167
Bank charges	4,569	1,537
Communication expense	54,931	39,568
Internet expense	48,703	73,476
Computer expense	5,200	39,480
Travelling and conveyance	183,958	147,310
Repair and maintenance	213,682	156,914
Legal, professional and subscription	102,000	230,400
Brand development	296,927	638,713
Printing and stationery	25,193	17,681
Audit fee	25,000	21,600
Miscellaneous	126,120	113,006
Depreciation	330,934	378,287
	<u>10,489,268</u>	<u>8,907,436</u>

**11 Related party**

The related parties comprise of Trustees of Professional Education Foundation. All related party transactions and balances are specifically disclosed in related notes.

**12 Number of employees**

At the date of statement of financial position, there were 8 (2017: 9) employees on the payroll of the Foundation.

**PROFESSIONAL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**13 Financial Instruments**

**Fair values of financial assets and liabilities**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values as the items are short term in nature.

Interest/ Mark-up bearing			Non-interest/ Mark-up bearing			Total
Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
Amount in Rs.						

**Financial Assets**

Short-term investments	7,000,000	-	7,000,000	-	-	-	7,000,000
Security deposit - OCS	-	-	-	10,000	-	10,000	10,000
Security deposit - Rent	-	-	-	150,000	-	150,000	150,000
Cash and bank balances	1,313,166	-	1,313,166	121,478	-	121,478	1,434,644
<b>Total 2018</b>	<b>8,313,166</b>	<b>-</b>	<b>8,313,166</b>	<b>281,478</b>	<b>-</b>	<b>281,478</b>	<b>8,594,644</b>
<b>Total 2017</b>	<b>21,461,085</b>	<b>-</b>	<b>21,461,085</b>	<b>929,975</b>	<b>-</b>	<b>929,975</b>	<b>22,391,060</b>

**Financial Liabilities**


Accrued expenses	-	-	-	136,629	-	136,629	136,629
<b>Total 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,629</b>	<b>-</b>	<b>136,629</b>	<b>136,629</b>
<b>Total 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,072</b>	<b>-</b>	<b>108,072</b>	<b>108,072</b>

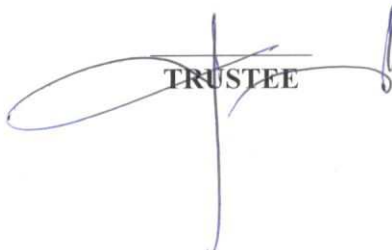
**14 Date of authorization for issue**

These financial statements were authorized for issue on October 03, 2018 by the Board of trustees of the trust.

**15 General**

Figures have been rounded off to the nearest whole rupee.

  
MANAGING TRUSTEE

  
TRUSTEE

Date: October 03, 2018

Karachi