

**GHAZALI EDUCATION
TRUST (REGD.)**

FINANCIAL STATEMENTS

**For Year Ended
June 30, 2010**

AZHAR ZAFAR & CO.
Chartered Accountants

Office # 8, 1st Floor, SAF Centre, 8-Fane Road, LAHORE
Voice: 92 42 7351670, 7122609 Data: 92 42 7122609 e-mail: azchartered@brain.net.pk

AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

We have audited the annexed balance sheet of the GHAZALI EDUCATION TRUST (REGD.) as at June 30, 2010 and the related Income and Expenditure Account together with the notes forming part thereof (here-in-after to as the "financial statement") for the year then ended. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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 international standards on auditing as applicable in Pakistan. 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 the management, as well as evaluating the overall presentation of Financial Statements. We believe that our Audit provides a reasonable basis of our opinion.

In our opinion the Financial Statements present fairly in all material aspects of the financial position of the GHAZALI EDUCATION TRUST (REGD.) as at June 30, 2010 and of its Surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

05 NOV 2010

Dated:
Place: LAHORE



Azhar Zafar & Co
AZHAR ZAFAR & CO.
CHARTERED ACCOUNTANTS

Lahore

Office # 8, 1st Floor, SAF Centre, 8-Fane Road Lahore. 54000
Phones: +92-42-37351670, 37122609 Fax: +92-42-37122609
e-mail: azchartered@brain.net.pk zafariqbalfca@hotmail.com
Web: www.azchartered.com.pk

Faisalabad

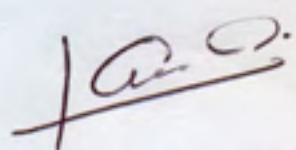
25-Chenab Market, Madina Town, Faisalabad.
Phones: +92-41-8540809, 8540810
Fax: +92-41-8540809

GHAZALI EDUCATION TRUST (REGD.)

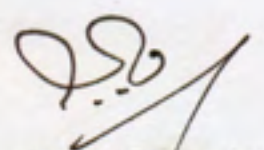
BALANCE SHEET

AS AT JUNE 30, 2010

PARTICULARS		NOTE	2010 RUPEES	2009 RUPEES
PROPERTY AND ASSETS				
Non Current Assets		4	63,259,610	51,270,860
Long Term Deposits		5	7,950,000	6,150,000
			71,209,610	57,420,860
CURRENT ASSETS:				
Advances, Deposits & Other Receivables		6	7,214,226	5,058,467
Cash & Bank Balances		7	3,086,431	3,892,377
			10,300,657	8,950,844
			81,510,267	66,371,704
FUNDS & LIABILITIES				
General Fund		8	42,131,681	39,735,345
Other Funds		9	32,059,960	20,258,494
			74,191,641	59,993,839
CURRENT LIABILITIES				
Accruals & Other Payables		10	7,318,626	6,377,865
			81,510,267	66,371,704



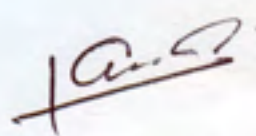
(SECRETARY FINANCE)



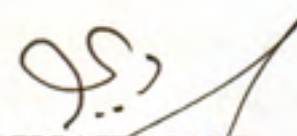
(CHAIRMAN)

Ghazali Education Trust (Regd.)
Income & Expenditure Account
For The Year Ended June 30, 2010

PARTICULARS	NOTE	2010 RUPEES	2009 RUPEES
INCOME	11	129,870,436	96,467,540
OPERATING EXPENSES:			
General Expenses & Administrative Expenses	12	127,758,271	98,055,719
Project Expenses	13	1,856,529	1,251,800
		<u>129,614,800</u>	<u>99,307,519</u>
Surplus / (Deficit) from Operations		255,636	(2,839,979)
Financial Charges	14	<u>39,432</u>	<u>43,810</u>
Net Surplus / (Deficit) from operations		216,204	(2,883,789)
Other Income	15	1,822,336	1,100,920
Prior Year Adjustment	16	357,796	(183,175)
Surplus/Deficit for the year transferred to General Fund		<u><u>2,396,336</u></u>	<u><u>(1,966,044)</u></u>



(SECRETARY FINANCE)



(CHAIRMAN)

GHAZALI EDUCATION TRUST (REGD.)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

1. **THE STATUS AND NATURE OF BUSINESS**

GHAZALI EDUCATION TRUST (REGD.) was established in February 15, 1999 under the Trust Act, 1882. Subsequently the trust has been awarded registration under the Societies Registration Act, XXI of 1860 by District Officer, Enterprises and investment promotion of Registrar, Joint Stock Companies, Lahore District on 07/06/2006. The main objects of GHAZALI EDUCATION TRUST (REGD.) are to establish institutions for eradication of illiteracy & provide research work in the field of education with Islamic touch for those students who cannot get education due to financial problems.

2. **BASIS OF PREPARATION**

2.1 **Statement of Compliance**

These financial statements are prepared under the historical cost conventions and in accordance with approved accounting standards as applicable in Pakistan.

3. **SIGNIFICANT ACCOUNTING POLICIES**

3.1 **Accounting Convention**

These accounts have been prepared on historical cost basis.

3.2 **Non Current and Depreciation**

Non current assets have been stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income on reducing balance method at the rate indicated in note 4 of the financial statements. Depreciation on additions to non current assets is charged in the year it is acquired or capitalized and no depreciation is charged for the month in which it is disposed off. Normal repairs and maintenance are charged to income as incurred. Donated land and buildings are stated at valuation made through an independent valuer and respective credit is given to Land & Building Fund Account.

3.3 Revenue Recognition

The main source of income of the trust is school income and donations received from philanthropists and NGOs. Donations for trust and school operations are recognized as revenue as and when received. Donations related to restricted funds e.g. School Land & Building, Student Aid Program, Earth quake hit area etc. are not recognized as income and treated separately and shown along with general fund in balance sheet.

All items of receipt and expenditure pertaining to schools are incorporated in these financial statements.

3.4 Foreign Currency Transactions

Foreign currency transactions are translated into Pak. Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Pak. Rupees at the rates of exchange prevailing on the balance sheet date. Exchange differences, if any, are included in income and expenditure account currently.

3.5 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.6 Taxation

The income of Ghazali Education Trust is exempt from income tax under clause (60) of the Second Schedule of the Income Tax Ordinance, 2001 consequently no provision for taxation is made in these financial statements.

4- Non Current Assets

Amount in Rupees

Particulars	Cost		Depreciation					Book Value As On June 30, 2010
	As On July 01, 2009	Addition/ (Deletion)	As On June 30, 2010	Rate	As On July 01, 2009	For The Year	As On June 30, 2010	
Land	11,457,498	3,315,964	14,773,462	-	-	-	-	14,773,462
Building	39,232,743	5,134,666	44,367,409	10	11,999,405	2,980,067	14,979,472	29,387,937
Office Equipments	1,746,942	558,630	2,305,572	10	564,541	146,172	710,713	1,594,859
Electric Equipments	1,485,463	247,314	1,732,777	10	594,507	101,461	695,968	1,036,809
Furniture & Fixture	14,300,426	6,322,941	20,623,367	10	5,273,248	1,218,865	6,492,113	14,131,254
Fans	1,406,601	742,070	2,148,671	10	378,683	139,895	518,578	1,630,093
Vehicles	500,000	360,100	860,100	20	113,334	113,343	226,677	633,423
Books & Periodicals	87,089	14,064	101,153	10	22,186	7,194	29,380	71,773
Total Rs. 2010	70,216,762	16,695,749	86,912,511		18,945,904	4,706,997	23,652,901	63,259,610
Total Rs. 2009	60,707,760	95,092,002	70,216,762		14,468,492	4,477,411	18,945,903	51,270,860

AZHAR ZAFAR & CO.
CHARTERED ACCOUNTANTS

	2010	2009
	RUPEES	RUPEES
5 LONG TERM DEPOSITS		
Share in Ghazli College for Women, Islamabad	1,300,000	1,300,000
Certificate of Islamic Investment	5,000,000	-
Share in Ghazali Institute of Education, Khanewal	650,000	650,000
Deposit with Housing Society	1,000,000	1,000,000
Deposit with GCW, (CDA Land)	-	3,200,000
	7,950,000	6,150,000
6 ADVANCES DEPOSITS & PREPAYMENTS		
Advances Staff to Against Expenses	1,216,340	176,971
Advances to Staff Against Salary	1,298,055	826,103
Advances for Building	426,085	115,871
Loan to Schools	1,643,200	1,000,670
Security Deposits	665,200	974,400
Short Term Advances	-	-
Other Receiveable	1,965,346	1,964,452
	7,214,226	5,058,467
7 CASH AND BANK BALANCES		
Cash in Hand	100,000	7,000
Cash at Banks		
Various Current Accounts	2,214,199	3,042,485
In Pound Sterling Account	89,092	170,801
In US \$ Account (8,206.23\$)	683,140	672,091
	3,086,431	3,892,377
8 GENERAL FUND		
Opening Balance	39,735,345	41,701,389
Surplus / (Deficit) for the Year	2,396,336	(1,966,044)
	42,131,681	39,735,345
9 OTHER FUNDS		
For Land & Building	9.1 23,708,457	16,621,687
For Students Aid Programme	9.2 5,677,364	2,766,355
For Earth Quake Fund	9.3 1,670,780	(132,907)
For Life Time Membership Fee	9.4 1,003,359	1,003,359
	32,059,960	20,258,494

AZHAR ZAFAR & CO.
CHARTERED ACCOUNTANTS

	2010 RUPEES	2009 RUPEES
9.1 For Land & Building		
Opening Balance	16,621,687	12,086,217
Addition during the Year	7,287,646	4,876,850
Less: Administrative Cost	(200,876)	(341,380)
	<u>23,708,457</u>	<u>16,621,687</u>
9.2 For Students Aid Programme		
Opening Balance	2,766,355	3,427,646
Add: For the Year	16,696,498	11,880,120
Less: Disbursed during the Year:		
- for Students Fee	(8,027,252)	(8,212,182)
- for Books & Uniforms	(3,614,392)	(3,141,217)
- Food Expenses	(474,195)	
- Administrative Cost	(1,669,650)	(1,188,012)
	<u>5,677,364</u>	<u>2,766,355</u>
9.3 For Earth Quake Fund		
Opening Balance	(132,907)	331,096
Add: For the Year	5,139,358	2,490,940
Less: Disbursed during the Year:		
- for School Expenses	(2,037,497)	(2,159,486)
- for Books	(527,270)	(421,816)
- Administrative Cost	(770,904)	(373,641)
	<u>1,670,780</u>	<u>(132,907)</u>
9.4 For Life Time Membership Fee		
Opening Balance	1,003,359	774,709
Add: For the Year	-	228,650
	<u>1,003,359</u>	<u>1,003,359</u>
10 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Accrued Expenses	1,407,182	2,405,552
Other Payable	5,911,444	3,972,313
	<u>7,318,626</u>	<u>6,377,865</u>
10.1 Accrued Expenses		
Audit Fee Payable	80,000	60,000
SCF Payable	321,412	321,412
Salaries Payables	938,418	753,655
Electricity Bills	48,000	1,104,982
Rent Payable	-	-
Scholarship Payable	-	150,000
Telephone Bills	18,270	14,450
Sui Gas Bills Payable	500	260
Newspapers Expenses	582	793
	<u>1,407,182</u>	<u>2,405,552</u>

AZHAR ZAFAR & CO.
CHARTERED ACCOUNTANTS

	2010	2009
	RUPEES	RUPEES
11 INCOME		
Donations	20,559,105	12,797,295
Trust Fund	12,765,380	9,955,861
School Income	96,325,811	73,681,272
Miscellaneous Income	220,140	33,112
	129,870,436	96,467,540
12 ADMINISTRATIVE EXPENSES		
Staff Salaries & Benefits	71,563,270	58,493,558
Student Welfare Expenses	22,648,650	14,156,744
Utility Charges	1,617,457	1,725,912
Printing and Stationery	1,925,331	1,008,361
Postage & Courier Charges	405,440	236,546
Travelling & Conveyance	1,576,147	933,689
Vehicle Running & Maintenance	904,376	732,234
Fee & Subscription	355,397	168,394
Office Expenses	1,249,438	970,295
Advertisement	2,045,262	1,222,668
Workshop & Seminars	1,097,540	1,490,626
Repair & Maintenance	2,009,843	861,430
Overseas Travelling	901,937	670,760
Bad Debts	-	6,177
Fuel & Petrol	617,098	367,193
School Establishment	915,502	536,854
Freight & Carriage Expense	595,352	433,158
Newspapers & Periodicals	14,424	16,259
Rent Building of Schools	8,453,768	5,889,966
Miscellaneous Expense	524,732	520,538
Computer & Internet Expenses	198,565	206,680
Legal & Professional Expense	309,977	349,000
Rent Rate & Taxes	830,052	848,377
Programs & Ceremonies	295,370	432,807
Examinations	1,469,966	726,214
IDP Camp School	389,715	99,434
Other Charges	12.1 136,665	474,434
Depreciation	4 4,706,997	4,477,411
	127,758,271	98,055,719
12.1 Other Charges		
Exchange Losses	475	15,588
Tax on Profit from Deposits	41,190	15,219
Loss on Investment	-	200,000
Books Designing and Writing Charges	95,000	243,627
	136,665	474,434

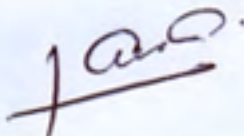
AZHAR ZAFAR & CO.
CHARTERED ACCOUNTANTS

13 PROJECT EXPENSE			
Girls Colleges	1,856,529	1,251,800	
	<u>1,856,529</u>	<u>1,251,800</u>	
	2010	2009	
	RUPEES	RUPEES	
14 FINANCIAL CHARGES			
Bank Charges (Schools)	38,233	30,650	
Bank Charges (head office)	1,199	13,160	
	<u>39,432</u>	<u>43,810</u>	
15 OTHER INCOME			
Foreign Exchange Gain	24,241	74,332	
Royalty Income on Books	757,740	570,185	
Income on Deposits	413,655	154,057	
Building Rent	626,700	248,600	
Gain on Disposal of PPE	-	53,746	
	<u>1,822,336</u>	<u>1,100,920</u>	
16 PRIOR YEAR ADJUSTMENT	<u>357,796</u>	<u>183,175</u>	
17 STAFF STRENGTH			
Number of Employees as at June 30	1,874	1,806	

18 DATE OF AUTHORIZATION FOR ISSUE
 These financial statements were authorised for issue on 4th NOVEMBER 2010 by the Board of Trustees of the Trust.

19 CORRESPONDING FIGURES
 Previous year figures have been re-arranged and re-classified wherever necessary for the purpose of comparison.

20 GENERAL
 Figures have been rounded off to the nearest rupee unless otherwise stated.


 (SECRETARY FINANCE)


 (CHAIRMAN)

AZHAR ZAFAR & CO.
CHARTERED ACCOUNTANTS

13 PROJECT EXPENSE
 Girls Colleges

1,856,529	1,251,800
<u>1,856,529</u>	<u>1,251,800</u>
2010	2009
RUPEES	RUPEES

14 FINANCIAL CHARGES

Bank Charges (Schools)	38,233	30,650
Bank Charges (head office)	1,199	13,160
	<u>39,432</u>	<u>43,810</u>

15 OTHER INCOME

Foreign Exchange Gain	24,241	74,332
Royalty Income on Books	757,740	570,185
Income on Deposits	413,655	154,057
Building Rent	626,700	248,600
Gain on Disposal of PPE	-	53,746
	<u>1,822,336</u>	<u>1,100,920</u>

16 PRIOR YEAR ADJUSTMENT

357,796	183,175
---------	---------

17 STAFF STRENGTH

Number of Employees as at June 30	1,874	1,806
-----------------------------------	-------	-------

18 DATE OF AUTHORIZATION FOR ISSUE

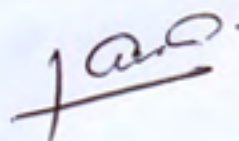
These financial statements were authorised for issue on 4th NOVEMBER 2010 by the Board of Trustees of the Trust.

19 CORRESPONDING FIGURES

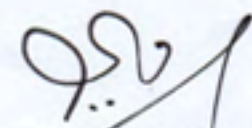
Previous year figures have been re-arranged and re-classified wherever necessary for the purpose of comparison.

20 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.



(SECRETARY FINANCE)



(CHAIRMAN)