

AUDITORS' REPORT TO THE TRUSTEES

We have audited the annexed balance sheet of **Ghazali Education Trust** as at June 30, 2012 and the related income and expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements), for the period then ended and we state that 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatements. 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 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 trust as at June 30, 2012 and of its deficit for the year then ended.

Date: 10 Dec 2012
Place: LAHORE


UHY Hassan Naeem & Co.
Chartered Accountants
Ibne Hassan, FCA



GHAZALI EDUCATION TRUST
BALANCE SHEET
AS AT JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees	Note	2012 Rupees	2011 Rupees
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GENERAL FUND	3	54,632,874	54,457,417	7	77,232,406	72,405,499
OTHER FUNDS	4	48,067,638	57,680,288			

CURRENT LIABILITIES

LONG TERM ADVANCES AND DEPOSITS	8	3,751,200	4,085,400			
LONG TERM INVESTMENTS	9	8,200,000	11,200,000			

Liabilities accrued and other liabilities

5	(10,650,008)	(10,909,784)
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CURRENT ASSETS

Advances, prepayments and other receivables	10	14,119,130	10,138,501
Cash and bank balances	11	9,863,784	5,078,287
		23,982,914	15,156,588

CONTINGENCIES AND COMMITMENTS

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113,166,520	102,847,487
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113,166,520	102,847,487
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The amount notes from 1 to 18 form an integral part of these accounts.


SECRETARY

Auditors' Report
(As Per Annexed)


PRESIDENT

Date: 11.08.2013
Place: Lahore

GHAZALI EDUCATION TRUST
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
Revenue	12	166,543,131	166,140,130
Cost of Revenue	13	149,441,406	116,043,412
Gross Surplus/(Deficit)		17,101,725	50,096,718
Administrative and General Expenses	14	44,301,414	41,016,131
Financial charges	15	32,370	49,751
Other income	16	27,169,483	3,256,738
Net Surplus/(Deficit) for the Year		(62,576)	12,287,574
Prior Year Adjustments		248,033	38,162
Net Surplus/(Deficit) for the Year Transferred to General Fund		185,457	12,325,736

The annexed notes from 1 to 18 form an integral part of these accounts.


SECRETARY


PRESIDENT

Date : 1 / 6 / 2012
Place : Lahore

**GHAZALI EDUCATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012**

1 The trust and its operations

The trust was established in Pakistan on February 15, 1999 under the Trust Act, 1882. Later on the trust was registered under the Societies Registration Act, XXI of 1860 by the District Officer, Enterprise and Investment Promotion of Registrar, Joint Stock Companies, Lahore District on June 07, 2006. The registered office of the company is situated at 5-E Johar Town, Lahore. The trust is domiciled in Lahore. Main objects of Ghazali Education Trust includes establishment of institutions for eradication of illiteracy and provide research work in the field of education in accordance with Islamic values for public at large who cannot get education due to financial crisis.

2 Significant accounting policies

2.1 Statement Of Compliance

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provision of and directives issued under the Companies Ordinance, 1984.

2.2 Accounting convention

These accounts have been prepared under the historical cost convention, except for land which is stated at a revalued amount as referred to in note 4

2.3 Taxation

Income of the trust is exempt from tax under clause 60 of the Second Schedule to the Income Tax Ordinance, 2001 consequently no provision for taxation is made in the financial statements.

2.4 Fixed capital expenditure and depreciation

All fixed assets, except freehold land are stated at cost less accumulated depreciation less impairment loss if any

Depreciation on all property, plant and equipment is charged to profit and loss account on the reducing balance method so as to write off the historical cost of an asset over its estimated useful life at the rates given in note 11. Depreciation on additions is charged from the month in which the asset is put to use and on disposals upto the month of disposal. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of assets are included in income.

2.5 Revenue Recognition

Donations and income from school received from philanthropists and Non Government Organisations are the main source of income of the trust. Such incomes are recognised as and when received by the trust. Restricted funds e.g. School Land, Building, Student Aid Program, Earth Quake hit area etc. are shown as general fund in balance sheet and are not recognised as income during the year. All items of income and expenditure relating to the trust are incorporated in these financial statements

**GHAZALI EDUCATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012**

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GHAZALI EDUCATION TRUST
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2012

3 General Fund		2012 Rupees	2011 Rupees
General Fund		54,457,417	42,131,681
Add: Surplus/(Deficit) for the year		185,457	12,325,736
		<u>54,642,874</u>	<u>54,457,417</u>
4 Other Funds		2012 Rupees	2011 Rupees
Land & Building	4.1	34,921,167	26,996,892
Student Aid Programme	4.2	269,400	1,441,827
Earth Quake Fund	4.3	1,267,595	153,209
Life Time Membership Fee	4.4	2,032,294	1,103,359
Dukhtran-E-Islam Academy	4.5	9,227,745	8,186,977
Rural Inclusive Education	4.6	349,439	(201,978)
		<u>48,067,638</u>	<u>37,680,286</u>
4.1 For Land & Building			
Opening Balance		26,996,892	23,708,457
Addition during the Year		8,804,750	3,535,952
		<u>35,801,642</u>	<u>27,244,409</u>
Less: Administrative Cost		880,475	247,517
		<u>34,921,167</u>	<u>26,996,892</u>
4.2 For Student Aid Programme			
Opening Balance		1,441,827	5,677,364
Addition for the Year		24,810,608	21,916,493
		<u>26,252,435</u>	<u>27,593,857</u>
Less: Disbursed during the Year			
- For Student Fee		17,039,724	18,206,947
- For Books & Uniforms		5,221,720	3,338,107
- Food Expenses		-	182,100
- Administrative Cost		3,721,591	2,424,876
		<u>25,983,035</u>	<u>26,152,030</u>
		<u>269,400</u>	<u>1,441,827</u>
4.3 For Earth Quake Fund			
Opening Balance		153,209	1,070,780
Addition for the Year		1,350,770	3,566,672
		<u>1,503,979</u>	<u>4,237,452</u>
Less: Disbursed during the Year			
- For School Expenses		-	3,083,243
- Administrative Cost		236,385	1,001,000
		<u>236,385</u>	<u>4,084,243</u>
		<u>1,267,595</u>	<u>153,209</u>

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GHAZALI EDUCATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012

4.4 For Life Time Membership Fee

Opening Balance	1,103,359	1,003,359
Addition for the Year	928,935	100,000
	<u>2,032,294</u>	<u>1,103,359</u>

4.5 For Dakhtran-E-Islam Academy

Opening Balance	8,186,977	-
Addition for the Year	1,040,766	8,186,977
	<u>9,227,743</u>	<u>8,186,977</u>

4.6 For Rural Inclusive Education

Opening Balance	(201,978)	-
Addition for the Year	2,524,809	335,517
	<u>2,322,831</u>	<u>335,517</u>
Less: Disbursed during the Year		
Salaries & Other charges	1,720,911	461,000
Administrative Cost	252,481	76,495
	<u>1,973,392</u>	<u>537,495</u>
	<u>349,439</u>	<u>(201,978)</u>

5 Creditors Accrued & Other Liabilities	2012 Rupees	2011 Rupees
Salaries Payable	1,771,612	1,400,098
Accrued Expenses	626,873	1,414,265
Withholding Tax Payable	45,506	61,041
Utility Bills Payable	10,064	15,278
Audit Fee Payable	150,000	80,000
Staff Contribution Fund	321,412	321,412
Short Term Loans	2,377,200	37,200
Creditors	2,226,723	5,345,178
Payable against different projects	2,824,906	2,037,512
Amanati Fund GPC	92,711	-
	<u>10,456,008</u>	<u>10,709,784</u>

5.1 It includes Rs. 2,000,000 payable to Jamat E Islami Punjab

6 Contingencies and Commitments

There are no known contingencies & commitments as on June 30, 2012.

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GHAZALI EDUCATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012

7 Property, Plant and Equipment

Particulars	Cost			Rate %	Depreciation			W.D.V. as on June 30, 2012
	As at July 1, 2011	Additions / Transfers	Disposal / Adjustment		As at June 30, 2012	For the year	As at June 30, 2012	

Tangible Assets

Freehold land	14,926,462	198,500	-	15,124,962	-	-	15,124,962
Building on freehold land	46,828,354	4,810,741	-	51,639,095	10	3,096,204	21,137,517
Office Equipment	2,879,127	243,257	-	3,122,384	10	206,090	1,108,540
Electric Equipment	1,868,307	519,487	(20,000)	2,367,794	10	130,728	934,770
Furniture and fixture	31,178,774	3,202,539	(93,189)	34,288,124	10	2,402,724	10,802,403
Fans	2,624,744	832,267	-	3,457,011	10	234,389	939,790
Vehicles	1,236,900	1,187,950	-	2,424,850	20	250,642	592,653
Books & Periodicals	127,745	145,215	-	272,960	10	13,038	50,925

Intangible Assets

ERP Software	-	111,199	-	111,199	20	9,386	9,386	101,813
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Total 2012	101,670,413	11,251,155	(413,189)	112,808,379	-	6,343,200	35,575,973	77,232,406
Total 2011	86,912,511	15,073,102	(315,200)	101,670,413	-	5,692,564	29,264,914	72,405,499

7.2 Depreciation has been charged as under :

Cost of Revenue
 Administrative Expenses

	2012	2011
(Rupees)		(Rupees)
	5,074,560	5,692,564
	1,268,640	
	<u>6,343,200</u>	<u>5,692,564</u>

GHAZALI EDUCATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012

8 Long Term Advances and Deposits	2012 Rupees	2011 Rupees
Advances to Ghazali College for Women, Islamabad	1,300,000	1,300,000
Advances to Ghazali Institute of Education, Khanewal	650,000	650,000
Deposit with Housing Society	1,000,000	1,000,000
Security Deposits	801,200	1,135,400
	<u>3,751,200</u>	<u>4,085,400</u>

9 Long Term Investments	2012 Rupees	2011 Rupees
Islamic Investment Certificate 9.1	4,000,000	5,000,000
Shahid Mahmood & Co. 9.2	4,000,000	4,000,000
Moderno Fabrics	200,000	2,200,000
	<u>8,200,000</u>	<u>11,200,000</u>

9.1 It represents investment in Islamic Saving Certificates (of Meezan Bank).

9.2 It represents the amount invested in Shahid Mahmood & Co. through an agreement.

10 Advances, Deposits, & Other Receivables	2012 Rupees	2011 Rupees
Advance to Staff Against Expenses	2,516,743	1,313,597
Advance to Staff Against Salary	1,596,635	1,918,440
Advances for Building Construction	1,852,332	1,257,293
Prepaid Rent of Schools	3,397,332	3,030,152
Receivables from Districts	1,338,389	558,409
Misc. Advances	4,790	-
Receivable from Donors 10.1	411,379	1,156,110
Chamber Receivables 10.2	1,751,802	903,750
Royalty Income Receivable 10.3	1,197,758	-
Advances to Suppliers	51,870	550
	<u>14,119,130</u>	<u>10,138,301</u>

10.1 It represents the amount receivable from representatives of the trust in abroad who have collected the donations on behalf of trust.

10.2 It represents the amount receivable from Sufi Sons regarding royalty of books.

10.3 It includes receivables from Board of Trustees amounting to Rs. 880,000.

11 Cash & Bank Balance	2012 Rupees	2011 Rupees
Cash in Hand	-	235,961
Cash at Bank 11.1	9,863,784	4,782,326
	<u>9,863,784</u>	<u>5,018,287</u>

GHAZALI EDUCATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012

11.1 Cash at Bank

Foreign Currency Accounts

US Dollar Account US \$ 1,281.76 (2011: US \$ 6,326.13)
 - Pound Sterling Account GBP £ 1,816.81 (2011: GBP £ 1,816.81)

195,413	611,246
267,198	251,846
460,611	863,092

Pak Rupee Accounts

Saving Accounts

9,403,173	3,919,234
9,863,784	4,782,326

12 Revenue	2012 Rupees	2011 Rupees
Trust Fund	21,294,220	16,232,182
School Income	145,248,911	119,397,938
Donations	-	30,410,063
Misc. Income	-	99,947
	166,543,131	166,140,130

13 Cost of Revenue	2012 Rupees	2011 Rupees
Staff Salaries & Benefits 13.1	90,390,117	70,544,573
Student Welfare Expenses 13.2	29,271,587	20,053,607
Utility Charges	1,879,831	1,389,084
Printing and Stationery	984,080	1,020,240
Postage & Telecommunications	24,878	60,428
Traveling & Conveyance	1,248,818	1,724,471
Fee & Subscription	704,648	391,072
Advertisement	322,604	432,620
Workshop & Seminars	33,879	18,626
Repairs & Maintenance	263,932	533,040
School Establishment 13.3	1,448,256	2,847,945
Freight & Carriage	637,822	913,071
News papers & Periodicals	77,204	73,506
Rent Building of Schools	14,024,918	11,239,739
Miscellaneous Expenses	976,506	826,357
Entertainment Expenses	217,043	-
Rent, Rate & Taxes	71,000	60,309
Examinations	889,723	2,065,218
Flood Relief Activities	-	1,858,507
Depreciation	5,074,560	-
	149,441,406	116,043,412

13.1 It comprises of salaries and benefits of school teachers and other staff

13.2 It comprises of the expenses incurred on needy students.

13.3 It represents the expenses incurred on renovation and decoration of schools.

GHAZALI EDUCATION TRUST
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2012

14	Administrative & General Expenses	2012 Rupees	2011 Rupees
	Staff Salaries & Benefits	26,684,637	20,825,909
	Utility Charges	810,745	599,093
	Printing and Stationery	1,795,653	1,861,633
	Postage & Telecommunications	167,319	406,414
	Traveling & Conveyance	200,200	276,453
	Vehicle Running & Maintenance	1,167,561	1,148,586
	Office Expenses	33,930	1,684,158
	Advertisement	729,708	978,556
	Workshop & Seminars	2,027,665	1,114,779
	Repairs & Maintenance	742,965	1,500,499
	Fuel	1,946,782	917,097
	Foreign Travelling	1,299,486	793,204
	Freight & Carriage	115,245	164,979
	Miscellaneous Expenses	168,318	142,437
	Entertainment Expenses	492,483	-
	Web Hosting & Development Charges	40,000	440,124
	Legal & Professional Expenses	582,110	897,300
	Rent, Rate & Taxes	882,591	749,691
	Programs & Ceremonies	5,118,199	506,340
	Other Charges	27,177	316,245
	Depreciation	1,268,640	5,692,564
		<u>44,301,414</u>	<u>41,016,131</u>

14.1 It represents the salaries and benefits given to the employees of head office.

14.2 It represents fuel expenses incurred on visits of different schools from the head office.

14.3 It includes travelling and lodging expenses incurred on visits to abroad for the purpose of fund raising.

14.4 It includes Iqbal Day expenses of Rs. 1,969,401.

15	Financial Charges	2012 Rupees	2011 Rupees
	Bank Charges (Schools)	2,700	49,071
	Bank Charges (Head office)	29,670	680
		<u>32,370</u>	<u>49,751</u>

GHAZALI EDUCATION TRUST
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2012

16 Other Income		2012 Rupees	2011 Rupees
Exchange Gain		27,666	32,474
Donations	16.1	22,615,541	-
Royalty Income on Books	16.2	1,735,600	1,731,650
Income from Investments	16.3	1,061,683	-
Income from Bank Accounts		136,146	196,263
Income from Bus		437,525	-
Building Rent		671,000	531,000
Miscellaneous Income		452,181	-
Gain on Disposal of Non Current Assets		32,141	465,351
		<u>27,169,483</u>	<u>3,256,738</u>

16.1 It represents the donations received during the year from different donors.

16.2 It represents the royalty income against printed books which is receivable from Sufi Sons.

16.3 It includes the investment income on Islamic Investment Certificates and Shahid Mehmood & Company.

17 Number of Employees		2012 Rupees	2011 Rupees
		2,334	2,225

18 General			

18.1 Figures have been rounded off to the nearest rupee.

18.2 last year figures have been re-arranged & re-classified wherever necessary for the comparison purposes.



SECRETARY



PRESIDENT

Date : 11 0 2012
 Place : Lahore