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**AUDITORS' REPORT ON FINANCIAL STATEMENTS OF**

**GREEN CRESCENT TRUST**

**FOR THE YEAR ENDED 30 JUNE 2017**

EY Ford Rhodes  
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## **Independent auditor's report to the Trustees of Green Crescent Trust**

### ***Opinion***

We have audited the financial statements of **Green Crescent Trust** (the Trust), which comprise the statement of financial position as at **30 June 2017**, statement of income and expenditure account, statement of cash flow and statement of changes in accumulated fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 30 June 2017, and of its financial performance, cash flows and changes in accumulated fund for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethical 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 the Management and Those Charged with Governance for the Financial Statements***

Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trustees either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Trust'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.



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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 Trust'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 Trust'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 Trust to cease to continue as a going concern; and
- 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 the Trustees 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.

*Tariq Feroz Khan*

**Chartered Accountants**  
**Audit Engagement Partner: Tariq Feroz Khan**  
**Date: 21 June 2018**  
**Place: Karachi**

**GREEN CRESCENT TRUST  
BALANCE SHEET  
AS AT 30 JUNE 2017**

	Note	30 June 2017	30 June 2016
		-----Rupees-----	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	110,280,182	78,100,023
Intangible asset	6	63,333	150,000
Long-term deposits	7	8,672,649	9,285,359
		119,016,164	87,535,382
<b>CURRENT ASSETS</b>			
Books		1,910	490,290
Loans, advances and prepayment	8	13,963,148	12,787,292
Fee and other Receivable		6,682,808	-
Cash and bank balances	9	25,734,425	35,760,521
		46,382,291	49,038,103
<b>TOTAL ASSETS</b>		165,398,455	136,573,485
<b><u>FUNDS BALANCES AND LIABILITIES</u></b>			
<b>FUNDS BALANCES</b>			
General/Unrestricted fund	10	149,218,679	118,502,572
Sindh Education Foundation – Restricted fund	11	3,425,792	16,582,376
		152,644,471	135,084,948
<b>NON - CURRENT LIABILITIES</b>			
Deferred grants	12	6,584,704	1,110,578
<b>CURRENT LIABILITIES</b>			
Trade and other Payables	13	6,169,280	377,959
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		165,398,455	136,573,485
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

The annexed notes 1 to 20 form an integral part of these financial statements.

  
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**GREEN CRESCENT TRUST**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017			2016		
		General/ Unrestricted fund	Restricted fund	Total	General/ Unrestricted fund	Restricted fund	Total
----- Rupees -----							
<b>INCOME</b>							
Zakat		99,705,171	-	99,705,171	93,344,921	-	93,344,921
Donations		70,903,055	-	70,903,055	52,418,275	-	52,418,275
School fees received from students		75,210,290	-	75,210,290	53,626,509	-	53,626,509
EFS-School grant		5,347,333	-	5,347,333	11,669,056	-	11,669,056
SEF-School grant		-	-	-	-	-	-
Grants received		-	15,748,000	15,748,000	-	22,209,600	22,209,600
Grant refunded		-	(7,481,600)	(7,481,600)	-	-	-
Grant utilized on Capex	5.1	-	(4,223,758)	(4,223,758)	-	(719,169)	(719,169)
Grant utilized on prepaid	8.3	-	(225,000)	(225,000)	-	-	-
Grant utilized on security deposit	7.1	-	-	-	-	(466,000)	(466,000)
Deferred capital grant released		-	474,632	474,632	-	74,291	74,291
EFS-School Establishment Fund		-	-	-	13,025,774	-	13,025,774
Training Income-CERD		-	-	-	653,250	-	653,250
Other income	15	1,074,825	-	1,074,825	640,184	-	640,184
		<u>252,240,674</u>	<u>4,292,274</u>	<u>256,532,948</u>	<u>225,377,969</u>	<u>21,098,722</u>	<u>246,476,691</u>
Restricted fund-opening		-	-	16,582,376	-	-	-
Restricted fund- closing		-	(3,425,792)	(3,425,792)	-	(16,582,376)	(16,582,376)
		-	13,156,584	13,156,584	-	(16,582,376)	(16,582,376)
Contribution recognized		<u>252,240,674</u>	<u>17,448,858</u>	<u>269,689,532</u>	<u>225,377,969</u>	<u>4,516,346</u>	<u>229,894,315</u>
<b>EXPENDITURE</b>							
Operating expenses	16	201,825,441	(17,448,858)	219,274,299	186,905,281	(4,516,346)	191,421,627
Administrative expenses	17	18,655,682	-	18,655,682	17,257,201	-	17,257,201
Bank charges		1,043,444	-	1,043,444	592,396	-	592,396
		<u>221,524,567</u>	<u>(17,448,858)</u>	<u>238,973,425</u>	<u>204,754,878</u>	<u>(4,516,346)</u>	<u>209,271,224</u>
Surplus for the year		30,716,107	-	30,716,107	20,623,091	-	20,623,091
Other comprehensive for the year		-	-	-	-	-	-
Total comprehensive surplus for the year		<u>30,716,107</u>	<u>-</u>	<u>30,716,107</u>	<u>20,623,091</u>	<u>-</u>	<u>20,623,091</u>

The annexed notes 1 to 20 form an integral part of these financial statements.


  
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**GREEN CRESCENT TRUST  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 ----- Rupees -----	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net surplus after taxation		30,716,107	20,623,091
<b>Adjustments for:</b>			
Depreciation	5.1	6,278,690	5,692,872
Amortization	6	106,667	100,000
Sindh Education Foundation (Restricted Fund) utilized during the year		(21,422,984)	(5,627,224)
		(15,037,628)	165,648
<b>Operating profit before working capital changes</b>		15,678,480	20,788,739
<b>Decrease / (increase) in current assets</b>			
Inventory		488,380	25,280
Fee and other receivable		(6,682,808)	-
Loans, advances & prepayments		(1,175,856)	(3,230,012)
		(7,370,284)	(3,204,732)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		5,791,321	(10,972)
<b>Increase in non-current liabilities</b>			
Deferred grants		5,474,126	1,110,578
<b>Net cash generated from operations</b>		19,573,643	18,683,613
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(17,708,176)	(14,284,484)
Purchase of software		(20,000)	(150,000)
Capital work-in-progress expenditure		(20,750,673)	(6,583,839)
Long-term deposit changes		612,710	(3,158,000)
Sindh Education Foundation (Restricted Fund) - Receipt		8,266,400	22,209,600
Net		-	-
Education Fund for Sindh		-	(3,896,174)
Flood Relief Fund		-	(1,410,991)
<b>Net cash used in investing activities</b>		(29,599,739)	(7,273,888)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(10,026,096)	11,409,724
<b>Cash and cash equivalents at the beginning of the year</b>		35,760,521	24,350,797
<b>Cash and cash equivalents at the end of the year</b>		25,734,425	35,760,521

The annexed notes 1 to 20 form an integral part of these financial statements.

  
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**GREEN CRESCENT TRUST**  
**STATEMENT OF CHANGES IN ACCUMULATED FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund / Unrestricted Fund	Education Fund for Sindh (Schools Support Fund)	Flood Relief Fund ----- RUPEES -----	Sindh Education Foundation(Scho ols Support Fund) / Restricted	Total
Balance as at 01 July 2015	97,879,481	3,896,174	1,410,991	-	103,186,646
Schools Support Funds received during the year	-	20,795,656	-	22,283,891	43,079,547
Capital expenditure transferred to General fund	-	-	-	(1,185,169)	(1,185,169)
Transfer to General fund for Expenditures during the year	-	(24,691,830)	(1,410,991)	(4,516,346)	(30,619,167)
- Surplus for the year ended June 30, 2016	20,623,091	-	-	-	20,623,091
- Other comprehensive surplus for the year ended June 30, 2016	-	-	-	-	-
Total comprehensive surplus for the year ended June 30, 2016	20,623,091	-	-	-	20,623,091
Balance as at 30 June 2016	118,502,572	-	-	16,582,376	135,084,948
Schools Support funds received during the year	-	5,347,333	-	16,222,632	21,569,965
Schools Support funds refunded during the year	-	-	-	(7,481,600)	(7,481,600)
Grant utilized on capex	-	-	-	(4,444,758)	(4,444,758)
Transfer to General fund for Expenditures during the year	-	(5,347,333)	-	(17,448,858)	(22,796,191)
- Surplus for the year ended June 30, 2017	30,716,107	-	-	-	30,716,107
- Other comprehensive surplus for the year ended June 30, 2017	-	-	-	-	-
Total comprehensive surplus for the year ended June 30, 2017	30,716,107	-	-	-	30,716,107
Balance as at 30 June 2017	149,218,679	-	-	3,425,792	152,644,471

The annexed notes 1 to 20 form an integral part of these financial statements.

  
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**GREEN CRESCENT TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. THE TRUST AND ITS ACTIVITIES**

The Green Crescent Trust (the Trust) was registered in November 1990 with the objective of providing educational, social and medical facilities to the needy persons. The main activities of the Trust are to set up, manage, maintain, administer and run schools in various localities. The Trust is also operating a Centre for Educational Research and Development (CERD).

These financial statements include the transactions relating to the aforesaid schools and CERD.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards for small and medium sized entities (IFRS for SMES) issued by the International Accounting Standards Board (IASB) and Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

During the year, the Trust has adopted post facto Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as per the Circular No. 11 dated 25 July 2017. The above adoption has caused changes in the accounting policy and preparation/presentation of income and expenditure account, cashflow statement, and statement of changes in accumulated fund.

**3. BASIS OF PREPARATION**

These financial statements have been prepared on the basis of historical cost convention.

**4. SIGNIFICANT ACCOUNTING POLICIES**

**4.1. Change in Accounting Policy**

During the current year, the Trust has adopted Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP). These standards require the Trust to produce full accrual based accounts.

The accounting policy of income recognition of the Trust was on cash receipts basis, which is changed to accrual basis as required by NPOs standards. Accordingly, the change is disclosed in note 4.7 to these financial statements. The change has been accounted for in accordance with the requirements of International Accounting Standard (IAS) 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

The adjustments have been accounted for prospectively as it is impracticable to determine the cumulative effect at the beginning of the current period of applying accounting policy to all prior periods.

**4.2. Operating fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to receipt and expenditure account applying the diminishing balance method, except for building on leasehold land and leasehold improvements which are depreciated by using straight line method. Full year's depreciation is charged on additions in the year the asset is available for use, while no depreciation is charged on deletions in the year of disposal.

Gain or loss on sale or retirement of fixed assets is included in current year's receipt and expenditure account.

Repairs and maintenance are charged to receipt and expenditure account as and when incurred. Major renewals and improvements are capitalized, If recognition criteria are met and the assets so replaced, if any, are retired.

The asset's residual value, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

*(Signature)*



#### 4.3. Capital work-in-progress

Capital work-in-progress is stated at cost less impairment if any, and consists of expenditure incurred and advances made in respect of tangible assets in the course of their acquisition and installation.

#### 4.4. Intangible asset

Computer software acquired by the Company are stated at cost less recognized. Cost represents the cost incurred to acquire the software and bring it to use. The cost of computer software is amortized over the estimated useful life as disclosed in note 5 to the financial statements.

The useful life of intangible asset is reviewed at each reporting date. The effect of any adjustment to useful life is recognized prospectively as a change of accounting estimate.

Cost associated with maintaining computer software's are charged to profit and loss account.

#### 4.5. Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and at banks.

#### 4.6. Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Foundation

#### 4.7. Income recognition

Income is recognized when it is probable that the future economic benefits will flow to the entity and the income can be measured reliably.

- Donations are recognised as income as and when received.
- Donations in kind are recognised at fair value prevailing at the time of receipt of such donations, and;
- Tuition Fee is accrued on a time proportion basis

#### 4.8. Taxation

The Trust, established solely for educational purposes and not for the purpose of profit, is entitled to tax credit on its income under Section 100C of the Income Tax Ordinance, 2001 and hence, no provision for taxation is made.

	Note	30 June 2017	30 June 2016
-----Rupees-----			
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets			
- Unrestricted		61,877,297	54,080,206
- Restricted	5.1	4,276,973	644,578
		<b>66,154,270</b>	54,724,784
Capital work-in-progress	5.2	44,125,912	23,375,239
		<b>110,280,182</b>	78,100,023

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## 5.1. Operating fixed assets

Note	COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE	Rate years %
	As at 01 July 2016	Additions / *Transfers (Rupees)	As at 30 June 2017	As at 01 July 2016	Charge for the year (Rupees)	As at 30 June 2017	As at 30 June 2017	
	-----	-----	-----	-----	-----	-----	-----	
<b>30 June 2017</b>								
<b>Unrestricted</b>								
Freehold land	4,200,000	**1,500,000	5,700,000	-	-	-	5,700,000	0
<b>Building:</b>								
Head office	21,430,820	-	21,430,820	7,213,176	710,882	7,924,058	13,506,762	5
School – owned	3,231,350	*9,634,715	12,866,065	629,892	611,809	1,241,701	11,624,364	5
Leasehold improvements - building	5.1.1 3,248,200	440,427	3,688,627	2,224,006	614,728	2,838,734	849,893	16.67
Furniture and fixtures	31,953,094	873,930	32,827,024	8,276,170	2,455,085	10,731,255	22,095,769	10
Office equipment	7,345,023	879,396	8,224,419	2,076,901	614,752	2,691,653	5,532,766	10
Computers and related accessories	2,981,249	155,950	3,137,199	1,898,282	371,675	2,269,957	867,242	30
Vehicles	5,154,478	-	5,154,478	3,033,649	424,166	3,457,815	1,696,663	20
Library books	127,144	-	127,144	122,344	961	123,305	3,839	20
	<b>79,671,358</b>	<b>13,484,418</b>	<b>93,155,776</b>	<b>25,474,421</b>	<b>5,804,058</b>	<b>31,278,479</b>	<b>61,877,297</b>	
<b>Restricted</b>								
Building-school-owned	-	1,072,583	1,072,583	-	53,629	53,629	1,018,954	5%
Leasehold improvements - building	5.1.1 -	758,047	758,047	-	126,594	126,594	631,453	16.67
Furniture and fixtures	5.1.2 705,800	1,892,350	2,598,150	182,809	241,534	424,343	2,173,807	10
Office equipment	-	494,078	494,078	-	49,408	49,408	444,670	10
Computers and related accessories	13,369	6,700	20,069	8,514	3,466	11,980	8,089	30
	<b>719,169</b>	<b>4,223,758</b>	<b>4,942,927</b>	<b>191,323</b>	<b>474,632</b>	<b>665,955</b>	<b>4,276,973</b>	
<b>Total</b>	<b>80,390,527</b>	<b>17,708,176</b>	<b>98,098,703</b>	<b>25,665,744</b>	<b>6,278,690</b>	<b>31,944,433</b>	<b>66,154,270</b>	

Note	COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE	Rate Years %
	As at 01 July 2015	Additions (Rupees)	As at 30 June 2016	As at 01 July 2015	Charge for the Year (Rupees)	As at 30 June 2016	As at 30 June 2016	
	-----	-----	-----	-----	-----	-----	-----	
<b>30 June 2016</b>								
<b>Unrestricted</b>								
Freehold land	4,150,000	50,000	4,200,000	-	-	-	4,200,000	0
<b>Building:</b>								
Head office	21,430,820	-	21,430,820	6,464,879	748,297	7,213,176	14,217,644	5
School – owned	2,284,630	946,720	3,231,350	492,973	136,919	629,892	2,601,458	5
Leasehold improvements - building	5.1.1 2,957,670	290,530	3,248,200	1,682,639	541,367	2,224,006	1,024,194	16.67
Furniture and fixtures	23,203,783	8,799,311 (50,000)	31,953,094	5,775,655	2,612,744	8,388,399	23,564,695	10
Office equipment	5,112,342	2,232,681	7,345,023	1,491,554	585,347	2,076,901	5,268,122	10
Computers and related accessories	2,471,421	509,828	2,981,249	1,440,585	462,199	1,902,784	1,087,823	30
Vehicles	4,368,233	786,245	5,154,478	2,503,443	530,207	3,033,650	2,120,828	20
Library books	127,144	-	127,144	121,143	1,201	122,344	4,800	20
	<b>66,106,043</b>	<b>13,565,315</b>	<b>79,671,358</b>	<b>19,972,871</b>	<b>5,618,281</b>	<b>25,591,152</b>	<b>54,080,206</b>	

**Restricted**

Furniture and fixtures	5.1.2	-	705,800	705,800	-	70,580	70,580	-	10
Computers and related accessories		-	13,369	13,369	-	4,011	4,011	9,358	30
		-	<u>719,169</u>	<u>719,169</u>	-	<u>74,591</u>	<u>74,591</u>	<u>644,578</u>	
<b>TOTAL</b>			<u>66,106,043</u>	<u>14,284,484</u>	<u>80,390,527</u>	<u>19,972,871</u>	<u>5,692,872</u>	<u>25,665,743</u>	<u>54,724,784</u>

\* This represents transfer from capital work in progress to operating fixed assets.

\*\*This represents a land measuring 389 square yards situated at Wangi Goth, Manghopir Karachi, gifted during the year from a donor. The management has undertaken the valuation exercise through an independent valuer to determine the fair market value of the land.

5.1.1. This represents the expenditure incurred on rented school premises.

5.1.2. This includes furniture and fixtures purchased during the year for the establishment of schools through Sindh Education Foundation.

Note                      2017                      2016  
----- Rupees -----

**5.1.3. Depreciation charge for the year has been allocated as follows:**

Operating expenses	16 & 16.2	<b>5,336,887</b>	4,838,941
Administrative expenses	17	<b>941,803</b>	853,931
		<u><b>6,278,690</b></u>	<u>5,692,872</u>

**5.2. Capital Work in Progress**

Leasehold improvements - building	-	5,000,000
Building: School – owned	<b>44,125,912</b>	18,375,239
	<u><b>44,125,912</b></u>	<u>23,375,239</u>

5.2.1. Movement for capital work in progress is as follows:

As at 01 July 2016	<b>23,375,239</b>	16,791,400
Additions during the year	<b>35,385,388</b>	14,151,809
Transfer to operating fixed assets	<b>(9,634,715)</b>	(946,720)
Written off	-	(1,621,250)
Advance recovered	<b>(5,000,000)</b>	(5,000,000)
	<u><b>44,125,912</b></u>	<u>23,375,239</u>

**6. INTANGIBLE ASSETS**

	C O S T			ACCUMULATED AMORTIZATION			Book value as at 30 June	Amortization rate %
	As at 01 July	Additions	As at 30 June	As at 01 July	Charge for the year	As at 30 June		
Computer software								
2017	<u>300,000</u>	<u>20,000</u>	<u>320,000</u>	<u>150,000</u>	<u>106,667</u>	<u>256,667</u>	<u>63,333</u>	33.33
2016	<u>150,000</u>	<u>150,000</u>	<u>300,000</u>	<u>50,000</u>	<u>100,000</u>	<u>150,000</u>	<u>150,000</u>	33.33

*ETM*

	Note	2017 ----- Rupees -----	2016 -----
<b>7. LONG-TERM DEPOSITS</b>			
Security deposit		5,998,540	6,547,500
Long-term prepayment	7.1	<u>2,674,109</u>	<u>2,737,859</u>
		<u>8,672,649</u>	<u>9,285,359</u>
7.1 includes an amount of Rs. Nil (2016: Rs. 466,000) paid from Sindh Education Fund – Restricted Fund			
<b>8. LOANS, ADVANCES AND PREPAYMENT</b>			
<b>Loans</b>			
Employees	8.1	104,000	175,548
<b>Advances</b>			
Employees	8.2	11,381,398	9,911,081
Others		<u>2,100,000</u>	<u>1,598,852</u>
		13,481,398	11,509,933
Tax deducted at source		1,780,770	1,470,014
Provision made during the year		<u>(1,780,770)</u>	<u>(1,470,014)</u>
<b>Prepayment</b>			
Rent	8.3	<u>377,750</u>	<u>1,101,811</u>
		<u>13,963,148</u>	<u>12,787,292</u>
8.1. These are interest free personal loans given to the employees of the Trust, recoverable in one year.			
8.2. This represents advances given to employees for incurring routine expenses of the schools.			
8.3. This Includes an amount of Rs.225,000 (2016: Rs. Nil) paid from Sindh Education Fund – Restricted Fund			
8.4. Provision made during the year Rs. 310,756 (2016: Rs.321,944).			
<b>9. BANK BALANCES</b>			
Current accounts		2,309,551	9,852,912
Savings accounts	9.1	<u>23,424,874</u>	<u>25,907,609</u>
		<u>25,734,425</u>	<u>35,760,521</u>
9.1. These carry profit at rates ranging between 2.40% to 4.77% (2016: 2.4% to 4.77%) per annum.			
<b>10. GENERAL FUND</b>			
Opening balance		118,502,572	97,879,481
Surplus transferred during the year		<u>30,716,107</u>	<u>20,623,091</u>
		<u>149,218,679</u>	<u>118,502,572</u>

	Note	30 June 2017	30 June 2016
		-----Rupees-----	
<b>11. SINDH EDUCATION FOUNDATION – RESTRICTED FUND</b>			
Opening Balance		16,582,376	-
Receipts during the year		15,748,000	22,209,600
Refund		(7,481,600)	-
Deferred grant released during the year		474,632	74,291
Utilized during the year		(21,897,616)	(5,701,515)
Balance Fund		<u>3,425,792</u>	<u>16,582,376</u>
<b>12. DEFERRED GRANTS</b>			
Opening Balance		1,110,578	-
Capital expenditure on depreciable assets		4,223,758	719,169
Capital expenditure on non-depreciable assets - Land	5.1	1,500,000	-
Prepaid rent	8.3	225,000	-
Security deposit	7.1	-	466,000
		<u>5,948,758</u>	<u>1,185,169</u>
Deferred capital grant released – Depreciation	5.1	(474,632)	(74,591)
		<u>6,584,704</u>	<u>1,110,578</u>
<b>13. TRADE AND OTHER PAYABLES</b>			
Creditors		5,201,728	-
Accrued expenses		323,077	377,959
Withholding tax		644,475	-
		<u>6,169,280</u>	<u>377,959</u>
<b>14. CONTINGENCIES AND COMMITMENTS</b>			
<b>14.1. CONTINGENCIES</b>			
The Trust has no contingencies as of balance sheet date.			
<b>14.2. COMMITMENTS</b>			
Capital commitment in respect of property and equipment is of Rs. 14,031,157 (2016: Rs. Nil).			
<b>15. OTHER INCOME</b>			
Sale of books		706,231	41,500
Others receipts		100,056	495,665
Profit on bank deposits / investment		268,538	103,019
		<u>1,074,825</u>	<u>640,184</u>
<b>16. OPERATING EXPENSES</b>			
School expenses	16.1	174,173,979	161,062,710
Sindh Education Foundation (Restricted Fund) school expenses	16.2	17,448,858	4,516,346
Centre for educational, research and development	16.3	1,870,927	1,708,123
Water project		8,742,694	10,635,419
Orphan support program		12,175,586	8,734,979
Depreciation	5.1.3	4,862,255	4,764,350
		<u>219,274,299</u>	<u>191,421,927</u>

	Note	30 June 2017	30 June 2016
-----Rupees-----			
<b>16.1. School Expenses</b>			
Salaries, allowance and benefits		126,770,911	109,400,441
Printing and stationery		5,102,792	6,992,070
Vehicle running and maintenance		1,346,883	1,582,975
Repair and maintenance		4,127,564	8,326,986
Rent		20,769,885	18,888,684
Travelling and conveyance		4,560,020	4,401,952
Functions and seminars		2,138,633	3,065,894
Training		702,239	591,670
Publicity and advertising		576,886	848,254
Office supplies		22,450	81,710
Entertainment		3,164,344	2,613,858
Utilities		2,727,379	2,312,776
Communication expense		1,851,748	1,767,796
Others		312,245	187,644
		<u>174,173,979</u>	<u>161,062,710</u>
<b>16.2. Sindh Education Foundation (Restricted Fund) School Expenses</b>			
Salaries, allowance and benefits		9,861,884	2,331,579
Printing and stationery		294,939	233,190
Vehicle running and maintenance		70,775	13,723
Repair and maintenance		2,066,855	30,577
Rent		1,882,550	496,000
Travelling and conveyance		1,137,506	410,671
Functions and seminars		406,233	12,853
Training		184,755	4,300
Publicity and advertising		236,525	-
Entertainment		327,335	138,344
Utilities		327,964	42,462
Books & stationery		101,508	664,680
Depreciation	5.1.3	474,632	74,591
Others		75,397	63,376
		<u>17,448,858</u>	<u>4,516,346</u>
<b>16.3. Centre for Educational Research and Development Expenses</b>			
Salaries and allowances		1,562,413	1,152,463
Printing and stationery		31,427	32,349
Repairs and maintenance		36,390	107,116
Training and consultancy		25,500	141,000
Functions and seminars		4,734	143,977
Conveyance and travelling expenses		1,580	25,150
Office supplies		14,890	1,980
Communication expenses		11,000	14,000
Entertainment expenses		24,326	32,928
Others		158,667	57,160
		<u>1,870,927</u>	<u>1,708,123</u>
<b>17. ADMINISTRATIVE EXPENSES</b>			
Head office expenses	17.1	12,156,403	11,143,633
Printing charges of books & magazines		488,381	25,280
Advertisement, publicity & promotion		2,353,709	2,802,487
Auditor's remuneration		200,000	150,000
professional charges		76,920	77,960
Book bank		2,021,040	1,781,966
Depreciation	5.1.3	941,806	853,931
Amortization	6	106,667	100,000
Provision against tax deducted at source		310,756	321,944
		<u>18,655,682</u>	<u>17,257,201</u>

## 17.1. HEAD OFFICE EXPENSES – SECRETARIAT

Salaries and allowances-	9,195,735	7,283,027
Rental of Diminishing Musharaka asset	-	1,463
Utilities	709,216	721,900
Printing and stationery	76,158	180,285
Office supplies	15,310	28,140
Vehicle running and maintenance	267,055	378,205
Communication expense	173,682	125,038
Legal & Professional expenses	672,830	619,633
Postage & telegram	83,422	7,604
Repairs and maintenance	248,212	1,109,081
Entertainment expenses	283,229	267,567
Other	431,554	421,690
	<u>12,156,403</u>	<u>11,143,633</u>

## 18. TRANSACTIONS WITH RELATED PARTIES

Related parties include board of trustees, entities where the board of trustees hold directorship and key management personnel. Transaction with related parties during the year are as follows:

Relationship	Nature of Transaction	2017	2016
		----- Rupees -----	
<b>Associated Undertaking</b>	Donations / Zakat received from:		
	- Indus Pharma (Pvt.) Ltd.	<u>7,500,000</u>	<u>6,000,000</u>

## 19. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Trustees on 14 JUN 2018.

## 20. GENERAL

Figures have been rounded off to the nearest rupee.

  
TRUSTEE

  
TRUSTEE