

TEHZIBUL AKHLAQ TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2021

AUDIT REPORT



ALE IMRAN & CO.
Chartered Accountants



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INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE OF THE TEHZIBUL AKHLAQ TRUST, LAHORE

Opinion

We have audited the financial statements of **TEHZIBUL AKHLAQ TRUST, LAHORE (The Trust)**, which comprise the Balance Sheet as at June 30, 2021 and the income and expenditure account, statement of cash flows and statement of changes in accumulated funds 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 June 30, 2021 and its financial performance 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 the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the trust 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 Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control, as the Management Committee determines 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, the Management Committee is 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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 the 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 risk 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 the 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 Committee 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 the 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.
- 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.

Lahore.

Dated: November 10, 2021


Ale Imran & Co.
Chartered Accountants

TEHZIBUL AKHLAQ TRUST, LAHORE
BALANCE SHEET
AS AT JUNE 30, 2021

	2021	2020
ASSETS	Rupees	Rupees
Non Current Assets		
Property and equipment	678,569,603	687,265,660
Capital Work in Progress	1,950,000	-
Intangible assets	-	38,490
Long term deposits	16,015,000	16,015,000
	696,534,603	703,319,150
Current Assets		
Stocks and stores	3,979,557	5,006,231
Advances, deposits and other receivables	49,201,017	42,580,618
Short term investment	58,000,000	33,000,000
Cash and bank balances	53,260,693	18,044,365
	164,441,267	98,631,214
	860,975,870	801,950,364
RESERVES AND LIABILITIES		
Funds:		
- Unrestricted fund		
Tehzibul Akhlaq Trust Office, Lahore	(26,909,371)	(23,429,606)
Aligarh Public School and College, Gulberg, Lahore	138,905,909	137,450,013
Aligarh Public School and College, Manga Mandi	(26,535,728)	(30,956,107)
Aligarh Public School and College Mess & Hostel, Manga Mandi	55,564,168	49,996,829
Sir Syed College of Computer Science	(23,585,336)	(25,286,872)
	117,439,641	107,774,258
- Restricted funds/Deferred Income	126,342,019	79,394,617
	243,781,660	187,168,875
Surplus on Revaluation of Property and Equipment	569,410,992	569,410,992
Current Liabilities		
Security deposits	23,200,197	19,065,643
Creditors, accrued and other liabilities	24,583,021	26,304,854
	47,783,218	45,370,497
Contingencies and Commitments	-	-
	860,975,870	801,950,364

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

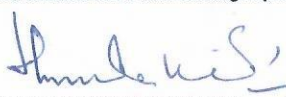

27/12/21
HONORARY SECRETARY GENERAL


FINANCE MANAGER

TEHZIBUL AKHLAQ TRUST, LAHORE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	Rupees
INCOME		
Unrestricted income		
Income from school / student related activities:		
- Tuition fees and other funds - net	105,463,210	109,794,570
- Admission fees / test fees	3,285,526	1,568,912
- Examination and other fees	1,303,982	3,993,965
- Hostel charges	6,926,597	5,698,265
- Mess fund	8,126,791	8,282,860
- Profit on sale of prospectus / progress reports	255,050	311,900
- Income from sale of monthly Tehzibul Akhlaq Magazine	535,480	805,350
- Forfeited security deposits	140,000	463,133
	126,036,636	130,918,954
Income from other sources:		
- Profit on investment and bank accounts	2,819,253	4,609,577
- Donations	4,261,000	6,265,400
- Membership fee	25,000	25,000
- Rental income	123,950	170,440
- Balances written back	-	-
- Exchange gain	-	-
- Miscellaneous	1,493,527	964,999
	8,722,730	12,035,416
	134,759,366	142,954,370
Restricted income		
- Amortization of deferred income	-	-
- Tuition fee against restricted fund	-	-
	-	-
	134,759,366	142,954,370
EXPENDITURE		
Expenses funded by unrestricted income		
Salaries and other benefits:		
- Salary expense	81,401,527	87,983,892
- EOBI	1,385,304	1,511,360
- Provident fund	3,152,630	4,804,824
- Social security	1,292,700	1,961,623
- Other benefits	457,289	856,863
Mess expenses	5,877,977	5,778,276
Repairs and maintenance	3,710,468	3,974,929
Petrol, oil and lubricants	954,772	1,080,852
Utilities	5,346,134	7,503,361
Students' related activities/expenses	743,449	2,099,068
Examination expenses	725,837	863,982
Expenses of monthly Tehzibul Akhlaq Magazine	584,123	723,731
Advertisement and publicity	1,746,639	1,910,005
Legal and professional charges	98,822	635,135
Parking fee	18,000	18,000
Audit fee	150,150	136,500
Printing and stationery	742,328	1,215,646
Telephone, postage and internet	542,990	506,456
Travelling and conveyance	624,426	500,864
Fees and subscription	427,100	275,000
Entertainment	246,996	457,888
Qutab Shah Campus' expenses	254,375	1,430,809
Stocks and stores consumed	567,262	401,586
Bank charges	459,822	545,723
Safety and security	362,200	340,000
Insurance	33,059	31,204
Training expenses	9,000	139,850
Cleaning expenses	37,530	19,755
Preliminary Expenses on SCOMS And NAU	855,504	1,003,710
Miscellaneous & bed debts	530,037	423,417
Amortization	-	12,830
Depreciation	11,755,532	13,744,780
	125,093,982	142,891,918
Surplus / (Deficit) for the Year	9,665,383	62,451

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


HONORARY SECRETARY GENERAL 27/12/21


FINANCE MANAGER

TEHZIBUL AKHLAQ TRUST, LAHORE
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (Deficit) for the Year	9,665,383	62,451
Adjustments for:		
Depreciation - property, plant and equipment	11,755,532	13,744,780
Amortization - intangible assets Write Off	38,490	12,830
	11,794,022	13,757,610
Surplus before Working Capital Changes	21,459,406	13,820,061
(Increase) / decrease in current assets:		
Stocks and stores	1,026,674	(698,274)
Advances, deposits and other receivables	(6,620,399)	(27,840,361)
Increase / (decrease) in current liabilities:		
Creditors, accrued and other liabilities	(1,721,833)	19,068,680
Security deposits	4,134,554	208,494
Net changes in working capital	(3,181,004)	(9,261,461)
Cash Generated from Operations	18,278,402	4,558,600
Income tax paid	-	(1,611,441)
Net Cash Generated from Operating Activities	18,278,402	2,947,159
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(3,059,476)	(16,373,377)
Capital work in progress	(1,950,000)	13,981,341
Net Cash Used in Investing Activities	(5,009,476)	(2,392,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short Term investment	(25,000,000)	(19,984,750)
Donations received & utilized against restricted activities	46,947,402	19,792,717
Net Cash Generated from Financing Activities	21,947,402	(192,033)
Net Increase in Cash and Cash Equivalents	35,216,328	363,090
Cash and cash equivalents at the beginning of the year	18,044,365	17,681,275
Cash and Cash Equivalents at the End of the Year	53,260,693	18,044,365

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


 HONORARY SECRETARY GENERAL


 FINANCE MANAGER

TEHZIBUL AKHLAQ TRUST, LAHORE
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Unrestricted Funds	Restricted Funds/Deferred Income	Total
	Rupees	Rupees	Rupees
Balance as at June 30, 2019	107,711,807	59,601,900	167,313,707
Restricted funds received during the year	-	24,186,737	24,186,737
Restricted funds utilized during the year	-	(4,394,020)	(4,394,020)
Surplus / (Loss) for the year	62,451	-	62,451
Balance as at June 30, 2020	107,774,258	79,394,617	187,168,875
Restricted funds received during the year	-	48,107,093	48,107,093
Restricted funds utilized during the year	-	(1,159,691)	(1,159,691)
Surplus / (Loss) for the year	9,665,383	-	9,665,383
Balance as at June 30, 2021	117,439,641	126,342,019	243,781,660

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


 HONORARY SECRETARY GENERAL


 FINANCE MANAGER