

**THE TEHZIBUL AKHLAQ
TRUST**

ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXECUTIVE COMMITTEE

Opinion

We have audited the financial statements of "The Tehzibul Akhlaq Trust (the "Trust")", which comprise the statement of financial position as at June 30, 2023, the statement of income or expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, the financial position of The Tehzibul Akhlaq Trust as at June 30, 2023, and its financial performance, changes in funds and cash flows for the year then ended in accordance with the International Financial Reporting Standard and Accounting Standards for Not for Profit Organizations (NPOs) issued by The Institute of Chartered Accountant of 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 Auditors' 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 Members of the executive body are 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 Members 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, Members 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 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.

Auditors' 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 auditors' 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 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 Member'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 auditors' 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 auditors' 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 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: December 26, 2023
UDIN: AR202310475pcANULlg8


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
(Engagement Partner: Syed Aftab Hameed, FCA)

THE TEHZIBUL AKHLAQ TRUST
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non Current Assets			
Property and equipment	4	1,768,439,590	670,371,765
Capital work in progress	5	134,655,300	81,679,507
Long term deposits	6	-	26,015,000
		1,903,094,890	778,066,272
Current Assets			
Inventory	7	1,153,319	4,566,264
Advances, deposits and other receivables	8	45,190,550	29,263,730
Short term investment	9	98,175,210	32,000,000
Cash and bank balances	10	53,859,697	67,710,124
		198,378,776	133,540,118
		<u>2,101,473,666</u>	<u>911,606,390</u>
FUNDS AND LIABILITIES			
Funds			
Restricted funds		201,753,677	159,624,118
Unrestricted fund	11	184,554,865	145,290,846
Capital Reserves			
Surplus on Revaluation of Property and Equipment	12	1,673,500,000	569,410,992
		2,059,808,542	874,325,956
Current Liabilities			
Security deposits	13	22,916,835	28,522,174
Creditors, accrued and other liabilities	14	18,748,289	8,758,260
		41,665,124	37,280,434
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		<u>2,101,473,666</u>	<u>911,606,390</u>

The annexed notes 1 to 24 form an integral part of these financial statements.


HONORARY SECRETARY GENERAL




FINANCE MANAGER

THE TEHZIBUL AKHLAQ TRUST
STATEMENT OF INCOME OR EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME	16	215,474,953	179,501,144
EXPENDITURE			
Operating expenses	17	160,576,632	139,794,225
Administrative and general expenses	17	15,634,302	11,855,714
		176,210,934	151,649,939
Surplus for the year		<u>39,264,019</u>	<u>27,851,205</u>

The annexed notes 1 to 24 form an integral part of these financial statements.


HONORARY SECRETARY GENERAL


FINANCE MANAGER

THE TEHZIBUL AKHLAQ TRUST
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	<u>Notes</u>	<u>June-23 Rupees</u>	<u>June-22 Rupees</u>
Surplus for the year		39,264,019	27,851,205
Items that will never be reclassified to statement of income or expenditure			-
Surplus on revaluation of property, plant and equipment		<u>1,104,089,008</u>	-
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		<u><u>1,143,353,027</u></u>	<u><u>27,851,205</u></u>

The annexed notes 1 to 24 form an integral part of these financial statements.

10/1/23


HONORARY SECRETARY GENERAL


FINANCE MANAGER

THE TEHZIBUL AKHLAQ TRUST
STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		39,264,019	27,851,205
Adjustments for non-cash items:			
Depreciation - property, plant and equipment	4.5	10,898,237	11,574,748
Profit on investments and bank deposits	16	(7,451,889)	(7,048,234)
Surplus before Working Capital Changes		<u>42,710,367</u>	<u>32,377,749</u>
(Increase) / decrease in current assets:			
Inventory	7	3,412,945	(586,707)
Advances, deposits and other receivables	8	(15,926,820)	19,937,288
Increase / (decrease) in current liabilities:			
Security deposits	13	(5,605,339)	5,321,977
Creditors, accrued and other liabilities	14	9,990,029	(15,824,761)
Net changes in working capital		<u>(8,129,185)</u>	<u>8,847,797</u>
Net cash inflow from operating activities		<u>34,581,182</u>	<u>48,273,750</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to Property, plant and equipment	4.1 to 4.4	(4,877,054)	(3,376,910)
Addition to Capital work in progress - civil work for New Aligarh University	5.2	(52,975,793)	(79,729,507)
Profit on investments and bank deposits	16	7,451,889	7,048,234
Change in long and short term investments	6 & 9	(40,160,210)	16,000,000
Net cash outflow from investing activities		<u>(90,561,168)</u>	<u>(67,106,417)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Donations received & utilized against restricted activities		<u>42,129,559</u>	<u>33,282,098</u>
Net cash inflow from financial activities		<u>42,129,559</u>	<u>33,282,098</u>
Net Increase in cash and cash equivalents		<u>(13,850,427)</u>	<u>14,449,431</u>
Cash and cash equivalents at the beginning of the year		<u>67,710,124</u>	<u>53,260,693</u>
Cash and cash equivalents at the end of the year	10	<u>53,859,697</u>	<u>67,710,124</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

10/1/23


HONORARY SECRETARY GENERAL


FINANCE MANAGER

TEHZIBUL AKHLAQ TRUST, LAHORE
STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Restricted Funds	Unrestricted Funds	Surplus on Revaluation of Property and Equipment	Total
Note	Rupees			
Balance as at June 30, 2021	126,342,019	117,439,641	569,410,992	813,192,652
Funds / income received during the year	16 33,282,099	179,501,144	-	212,783,243
Funds utilized / expenditure incurred during the year	17 -	(151,649,939)	-	(151,649,939)
Other comprehensive income	-	-	-	-
	33,282,099	27,851,205	-	61,133,304
Balance as at June 30, 2022	159,624,118	145,290,846	569,410,992	874,325,956
Funds / income received during the year	16 83,704,763	215,474,953	-	299,179,716
Funds utilized / expenditure incurred during the year	17 (41,575,204)	(176,210,934)	-	(217,786,138)
Other comprehensive income	-	-	1,104,089,008	1,104,089,008
	42,129,559	39,264,019	1,104,089,008	1,185,482,586
Balance as at June 30, 2023	201,753,677	184,554,865	1,673,500,000	2,059,808,542

The annexed notes 1 to 24 form an integral part of these financial statements.

Handwritten signature

Handwritten signature
HONORARY SECRETARY GENERAL

Handwritten signature
FINANCE MANAGER

THE TEHZIBUL AKHLAQ TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1 THE TRUST AND ITS OPERATION

Tehzibul Akhlaq Trust, Lahore (the Trust) was registered under the Societies Registration Act, 1860 on February 17, 1961 with an objective of providing educational services to the general public to meet this objective, the Trust has established the following schools and colleges and Hostel, whose financial results are also included in these financial statements :

- o Aligarh Public School and College, Gulberg
- o Aligarh Public School and College, Manga
- o Sir Syed College of Computer science
- o Sir Syed College of Management science
- o New Aligarh University - under construction

The Trust is domiciled in Pakistan and its registered office is situated at 38/47- C-2, Ghalib Road, Gulberg III, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise International Financial Reporting Standards for Small and Medium Sized Entities (SMEs) issued by International Accounting Standard Board and Accounting Standard for Not for Profit Organisations issued by the Institute of Chartered Accountants of Pakistan.

2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention unless other wise specifically stated.

2.3 Functional and Presentation Currency

These financial statements are prepared and presented in Pak Rupees which is the Trust's functional and presentation currency. All financial information presented in pak rupees have been rounded off to the nearest rupee.

2.4 Critical accounting estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and 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 result of which form the basis of forming judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management's estimates in these financial statements relate to the useful life of depreciable assets. However, assumption and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any, except freehold land and building of Head Office and Gulberg Campus which are stated at revalued amounts.

K. B. B.

Depreciation on property and equipment is charged on written down value at the rates specified in Note 4. Full year's depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal. Impairment loss or its reversal, if any, is charged to the income and expenditure account. When an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

Property and equipment received directly as grant / donation are debited to the property and equipment account at fair value and a corresponding amount is credited to a deferred income account in the balance sheet. Such items are thereafter depreciated as per the policy of the Trust while a corresponding amount is transferred from the deferred income to the income and expenditure account.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and carrying amount of the asset is recognized as an income or expense, respectively.

Maintenance and repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

3.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during construction period are recognised as capital work in progress. These are transferred to property and equipment as and when these are available for use.

3.3 Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

3.4 Inventory

Stores, spares and consumables are valued at the lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

3.5 Receivables

Receivables are reviewed at each balance sheet date and those considered irrecoverable are written off and provision is made for debts considered doubtful, if any.

3.6 Long Term and Short Term Investments - Held for maturity

These are stated at amortized cost. Income on investments is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and balances at banks.

3.8 Funds

The Trust accounts for the funds as under:

ICIRB



3.8.1 Restricted funds

Funds which are received on account of a specific project / purpose, prior to incurring of the relevant costs, the cash received, are credited to the appropriate restricted fund account in the statement of financial position. These sums are then transferred to the income and expenditure account as and when the relevant expenses are charged in the income and expenditure account or capitalized. On the conclusion of the project any balances lying in the restricted fund account are transferred to un-restricted fund or returned back as agreed with the donor. A grant or donation that becomes receivable as compensation for expenses or losses already incurred is recognized as income or returned back as agreed with the donor.

3.8.2 Unrestricted funds

The unrestricted funds are recognized in income and expenditure account when received or when the amount of the funds can be measured reliably and there is reasonable assurance that the Trust will receive the funds.

3.9 Deferred income

Funds received for purchase of property and equipment or construction of property and equipment classified as capital work in progress and donated fixed assets are included in non-current liabilities as deferred income and are credited to the income and expenditure account in proportion to utilization of funds for purchase or construction and depreciation charged on donated assets. The unamortized portion of deferred income is recognized as a non-current liability in the balance sheet.

3.10 Creditors, accrued and other liabilities

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

3.11 Provisions

A provision is recognized in the balance sheet when the Trust has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.12 Staff retirement benefits

The Trust has an approved contributory provident fund for all the permanent employees. Equal monthly contributions are made by the Trust and the employees to the fund at the rate of 10% of basic salary. Retirement benefits are payable to the staff on completion of prescribed qualifying period of service under the scheme. A separate Provident Fund Trust was established on January 01, 2003 to manage the employees' provident fund.

3.13 Revenue

The Trust accounts for revenue as stated below:

3.13.1 Tuition fee and other fees from students

These are recognized to the extent the management considers that the economic benefits will flow to the Trust.

3.13.2 Donations

Donations and grants are recognized only in the period in which reasonable assurance is attained that the donation or grant will be received.

3.13.3 Prospectus fee, admission test and admission fee

Prospectus fee, admission test and admission fee are recognized on receipt basis.

3.13.4 Hostel and Mess charges

Hostel and Mess charges are recognized to the extent the management considers that the economic benefits will flow to the Trust.

→ 10/1/20

3.13.5 Profit on bank deposits and TDRs

Profit on bank deposits and TDRs is recognized as income into the income and expenditure account on a time proportion basis by reference to the principal outstanding and the applicable rate of return / interest.

3.13.6 Rental income

Rental income is recognized on receipt basis.

3.14 Foreign currency transactions

All monetary assets and liabilities in foreign currency translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the spot rate. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange differences are included in other income.

3.15 Expenses

Expenses are recognized in the income and expenditure account when incurred.

3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Executive Committee of the Trust). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year on property, plant and equipment, intangible assets and capital work in progress.

3.17 Taxation

Under section 100C of the Income Tax Ordinance, 2001, income of the trust is subject to zero rate of tax, being tax credit equal to 100% of tax payable including minimum tax and final taxes payable under any of the provisions of the above said ordinance.

3.18 Financial Instruments

3.18.1 Financial assets

The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at the time of initial recognition. The Trust classifies its financial assets in the following categories:

At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise advances, deposits and other receivables in the balance sheet.

Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity, where the management has the intention and ability to hold till maturity are carried at amortized cost.

10/1/20

Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the management intends to dispose off the investments within twelve months from the balance sheet date, in which case these financial assets are classified as short term investments in the balance sheet.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized directly in equity are included in the income and expenditure account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the income and expenditure account. Dividends on available-for-sale equity instruments are recognized in the income and expenditure account when the Trust's right to receive payments is established.

Measurement criteria

All financial assets are recognized at the time when the Trust becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized at trade date that is the date on which the Trust commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income and expenditure account.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' investments are carried at amortized cost using effective interest rate method.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (for unlisted securities), the Trust measures the investments at cost less impairment in value, if any.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Trust has transferred substantially all risks and rewards of ownership.

The Trust assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

3.19 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Trust intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

KMB

4 PROPERTY AND EQUIPMENT - Related to:	Note	2023 Rupees	2022 Rupees
Tehzibul Akhlaq Trust	4.1	1,707,124,811	606,552,626
Aligarh Public School and College, Gulberg	4.2	2,433,149	2,792,669
Aligarh Public School and College, Manga	4.3	57,591,021	59,395,422
Sir Syed College of Computer Science	4.4	1,290,609	1,631,048
		<u>1,768,439,590</u>	<u>670,371,765</u>

4.1 Tehzibul Akhlaq Trust Office, Lahore (Head Office)

Particulars	Note	Written down value as at July 01, 2022	Additions / (Deletions)	Revaluation Surplus	As at June 30, 2023	Rate%	Depreciation for the year	Written down value as at June 30, 2023
Rupees								
Assets at revalued amounts								
Land - freehold	4.1.1	497,080,000	-	964,920,000	1,462,000,000	-	-	1,462,000,000
Buildings on freehold land	4.1.1	70,314,752	2,016,240	139,169,008	211,500,000	5	3,557,743	207,942,258
Assets at historical cost								
Buildings on leasehold land		38,187,236	-	-	38,187,236	5	1,909,362	36,277,874
Furniture and fixtures		395,404	-	-	395,404	15	59,311	336,093
Computers and accessories		230,967	19,400	-	250,367	30	75,110	175,257
Electrical equipment		197,006	127,270	-	324,276	20	64,855	259,421
Office equipment		111,316	750	-	112,066	20	22,413	89,653
Vehicles		35,945	16,120	-	52,065	15	7,810	44,255
Total 2023		606,552,626	2,179,780	1,104,089,008	1,712,821,414		5,696,603	1,707,124,811
Total 2022		612,428,541	86,903	-	612,515,444		5,962,818	606,552,626

4.1.1 The land and buildings is situated at 38/47, C-2 Ghalib Road Gulberg III, Lahore, on which Trust's Head Office and Gulberg Campus are situated. During the year, this land and building was again revalued on June 30, 2023 on a net replacement value basis by Messrs Medallion Services Pvt. Ltd, an approved valuer by Pakistan Banking Council in all categories, which created a surplus of Rs. 1,104,089,008 over and above the previous surplus on revaluation made in the year 2012.

4.1.2 The freehold land does not include land situated at Bhatta Chowk DHA, Lahore comprising 13 kanals and 3 Marlas, donated by a Trustee; as the title of this land has yet not been transferred in the name of the Trust on account of litigation. (Note - 15.1).

4.1.3 Had there been no revaluation, the net book value of freehold land and buildings would have been as follows:

Land - freehold	497,080,000	497,080,000
Buildings on freehold land	70,314,752	70,314,752
	<u>567,394,752</u>	<u>567,394,752</u>

KIR

4.1.4 The depreciation for the year was not computed on the revalued amount of buildings on freehold land as the revaluation was carried out on June 30, 2023.

4.2 Aligarh Public School and College, Gulberg, Lahore (Owned)

Particulars	Written down value as at July 01, 2022	Additions / (Deletions)	As at June		Rate	Depreciation for the year	Written down value as at June 30, 2023	
			30, 2023	30, 2023			as at June 30, 2023	as at June 30, 2023
Rupees								
Plant and Machinery	112,584	5,960	118,544		20	23,709	94,835	
Furniture and fixtures	828,910	-	828,910		15	124,336	704,574	
Computer accessories / multimedia	270,144	-	270,144		30	81,043	189,101	
Electrical equipment	644,457	-	644,457		20	128,891	515,566	
Office equipment	399,023	9,500	408,523		20	81,705	326,818	
Library books	175,657	249,567	425,224		20	85,045	340,179	
Soft and Black boards	276,929	-	276,929		30	83,079	193,850	
Sign boards	5,070	-	5,070		15	760	4,310	
UPSs	10,486	-	10,486		20	2,097	8,389	
Laboratory equipment	69,409	-	69,409		20	13,882	55,527	
Total 2023	2,792,669	265,027	3,057,696		-	624,547	2,433,149	
Total 2022	3,273,705	253,500	3,527,205		-	734,536	2,792,669	

4.3 Aligarh Public School and College, Manga

Particulars	Written down value as at July 01, 2022	Additions / (Deletions)	As at June		Rate	Depreciation for the year	Written down value as at June 30, 2023	
			30, 2023	30, 2023			as at June 30, 2023	as at June 30, 2023
Rupees								
Building on leasehold land	52,983,559	-	52,983,559		5	2,649,178	50,334,381	
Furniture and fixtures	1,806,720	2,283,665	4,090,385		15	613,558	3,476,827	
Vehicles	282,617	1,617,554	1,900,171		15	285,025	1,615,146	
Computer accessories / multimedia	1,373,694	150,000	1,523,694		30	457,108	1,066,586	
Electrical equipment	510,085	(102,235)	407,850		20	81,570	326,280	
Surveillance System	-	25,000	25,000		20	5,000	20,000	
Office equipment	316,523	(92,570)	223,953		20	44,791	179,162	
Play-ground equipment	1,642,336	(1,449,647)	192,689		20	38,538	154,151	
Tube wells	182,423	-	182,423		10	18,242	164,181	
Medical equipment	42,496	-	42,496		10	4,250	38,246	
Laboratory equipment	124,605	-	124,605		20	24,921	99,684	
Garden equipment	102,714	480	103,194		10	10,319	92,875	
Arms and ammunition	27,650	-	27,650		15	4,148	23,502	
Total 2023	59,395,422	2,432,247	61,827,669		-	4,236,648	57,591,021	
Total 2022	60,794,625	3,036,507	63,831,133		-	4,435,711	59,395,422	

4.4 Sir Syed College of Computer Science

ICIS

Particulars	Written down value as at July 01, 2022	Additions / (Deletions)	As at June 30, 2023	Rate	Depreciation for the year	Written down value as at June 30, 2023
	Rupees					
Plant & Machinery	43,310	-	43,310	20	8,662	34,648
Computers and accessories	412,393	-	412,393	30	123,718	288,675
Electrical equipment	257,923	-	257,923	20	51,585	206,338
Furniture and fixtures	540,204	-	540,204	15	81,031	459,173
Laboratory equipment	337,412	-	337,412	20	67,482	269,930
Office equipment	39,806	-	39,806	20	7,961	31,845
Total 2023	1,631,048	-	1,631,048	-	340,439	1,290,609
Total 2022	2,072,731	-	2,072,731	-	441,683	1,631,048

2023		2022	
Operating expenses	Admin & general expenses	Operating expenses	Admin & general expenses

4.5 Depreciation charge for the year has been allocated to:

Tehzibul Akhlaq Trust	-	5,696,603	-	5,962,818
Aligarh Public School and College, Gulberg	624,547	-	734,536	
Aligarh Public School and College, Manga	4,236,648	-	4,435,711	
Sir Syed College of Computer Science	340,439	-	441,683	
Total depreciation charge for the year	5,201,634	5,696,603	5,611,930	5,962,818
		10,898,237		11,574,747

ICR/Be

	Note	2023 Rupees	2022 Rupees
5 CAPITAL WORK IN PROGRESS	5.1	<u>134,655,300</u>	<u>81,679,507</u>
5.1 This represents the expenses incurred on civil work of new project - New Aligarh University.			
5.2 The movement in this account during the year is as under:			
Opening balance		81,679,507	1,950,000
Addition during the year		52,975,793	79,729,507
Closing balance		<u>134,655,300</u>	<u>81,679,507</u>

6 LONG TERM INVESTMENT

Special Savings Certificates		<u>-</u>	<u>26,015,000</u>
------------------------------	--	----------	-------------------

7 INVENTORY

Tehzibul Akhlaq Trust		2,100	11,123
Aligarh Public School and College, Gulberg, Lahore		741,011	2,488,730
Aligarh Public School and College, Manga		304,363	1,828,370
Sir Syed College of Computer Science, Gulberg, Lahore		105,845	238,041
		<u>1,153,319</u>	<u>4,566,264</u>

This represents the items of stocks and stores those include kindergarten and nursery equipment, crockery & utensils, sports goods, science laboratory equipment, psychology instruments, library books, prospectus and progress reports, etc.

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES - CONSIDERED GOOD

Advances to suppliers and contractors		600,000	930,618
Accrued profit on investment		3,406,836	2,145,542
Fees and funds receivable		41,074,702	23,395,899
Income tax deducted at source - refundable		109,012	2,791,671
		<u>45,190,550</u>	<u>29,263,730</u>

9 SHORT TERM INVESTMENT - in

Term deposit receipts:	9.1	<u>98,175,210</u>	<u>32,000,000</u>
------------------------	-----	-------------------	-------------------

9.1 These represent the term deposit receipts obtained from various banks, which carry profits ranging from 15.75% to 21.1% per annum (2022: 6.55% to 10.9% per annum), having maturity period of less than one year, may be reinvested on roll over basis.

10/1/23

	Note	2023 Rupees	2022 Rupees
10 CASH AND BANK BALANCES			
Cash in hand		150,353	1,587,618
Cash at bank :			
Current accounts:			
Habib Bank Limited BISE A/c No. 24403		-	35,000
MCB Bank Limited A/C No. 14122		175,650	204,093
MCB Bank Limited A/C No. 15141		-	48,564
MCB Bank Limited NFC / USD A/c No. 5561		16,785,355	7,200,512
HBL A/C No. 22597701118201		9,074	82,522
MCB 1005559 (OD A/C)		-	1
United Bank Limited Manga A/c No. 01005280		609,505	401,630
		17,579,584	7,972,322
Saving accounts:			
MCB Bank Limited A/C No. 32973		162,011	22,946,246
MCB Bank Limited A/C No. 79595		439,597	378,538
MCB Bank Limited A/C No. 48280		-	20,930
MCB Bank Limited A/C No. 2466		3,075,360	12,366,647
United Bank Limited Manga A/c No. 10056732		-	607,213
Meezan Bank 513182		23,401,933	2,595,911
United Bank Limited A/c No. 10068930		202,405	3,309,308
United Bank Limited Manga A/c No. 54002		5,803,346	13,033,374
Askari Bank		2,400,575	-
Al Baraka Bank Limited A/c No. 0126		644,533	2,892,019
		36,129,760	58,150,185
		53,859,697	67,710,124

11 UNRESTRICTED FUNDS

2023						
Particulars	Note	The Tehzibul Akhlaq Trust Office, Lahore	Aligarh Public School and College	Aligarh Public School and College, Manga	Sir Syed College of Computer Science (SCOCS)	Grand Total Rupees
Opening Balance		(11,609,821)	124,034,299	60,664,728	(27,798,360)	145,290,846
Add: Receipt during the year	16	48,529,742	133,927,162	32,842,418	175,631	215,474,953
Less: Total Expenditure for the year	17	(15,634,302)	(122,780,581)	(26,004,017)	(11,792,034)	(176,210,934)
Closing Balance		21,285,619	135,180,880	67,503,129	(39,414,763)	184,554,865
2022						
Particulars	Note	The Tehzibul Akhlaq Trust Office, Lahore	Aligarh Public School and College	Aligarh Public School and College, Manga	Sir Syed College of Computer Science (SCOCS)	Grand Total Rupees
Opening Balance		(26,909,371)	112,370,180	55,564,168	(23,585,336)	117,439,641
Add: Receipt during the year	16	31,309,839	113,934,257	26,138,131	8,118,918	179,501,144
Less: Total Expenditure for the year	17	(16,010,289)	(102,270,138)	(21,037,571)	(12,331,942)	(151,649,939)
Closing Balance		(11,609,821)	124,034,299	60,664,728	(27,798,360)	145,290,846

14/1/23

	Note	2023 Rupees	2022 Rupees
12 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT	4.1.1 to 4.1.4		
Land - freehold		1,462,000,000	496,962,023
Buildings on freehold land		211,500,000	72,448,969
		<u>1,673,500,000</u>	<u>569,410,992</u>
13 SECURITY DEPOSITS			
Students		22,569,176	27,489,482
Teachers		151,786	556,240
Non - teaching staff		195,873	476,452
		<u>22,916,835</u>	<u>28,522,174</u>
14 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Accrued liabilities		114,529	2,530,117
Provident fund payable		12,312,179	3,845,110
Salaries and other benefits payable		2,225,702	-
Advance fees		-	2,331,809
Income tax deducted at source - payable		4,095,879	51,224
		<u>18,748,289</u>	<u>8,758,260</u>
15 CONTINGENCIES AND COMMITMENTS			
Contingencies			
15.1	In the year 2003, Late Major (R) Agha Qutabuddin Shah had Waqfed a plot measuring 13 Kanals & 3 Marlas of land to the Trust for construction of Aligarh Public School Qutab Shah Campus. Unfortunately after his death, the land was occupied by land grabbers. The Trust has filed an appeal for retrieval of the land. The matter is subjudice in Lahore High, Court Lahore. As soon as the case is decided, the land mutation will take place and to be recorded in the books of the Trust accordingly. The legal expenses primarily relate to this case (Note - 17).		
15.2	The Trust is an approved NPO u/s 2(36) of Income Tax Ordinance, 2001. Besides, it is exempted from deduction of Tax u/s 151, read with section 159, of Income Tax Ordinance, 2001. The MCB Bank, Liberty Market Branch (0218), Gulberg, Lahore deducted Tax amounting to Rs. 179,400 from profit of Rs. 1,196,000 incorrectly on maturity of Term Deposit Receipt (TDR) amounting to Rs. 13 million on 24-12-2019. The matter regarding refund of this amount, that was deducted incorrectly, is pending at the terminal date.		
15.3	Being an approved NPO u/s 2(36) of Income Tax Ordinance, 2001, the Trust is exempt from deduction of Zakat. Contrarily, UBL, Manga Mandi Branch (0414), Mullan Road, Lahore deducted Zakat amounting to Rs. 28,942 on 1st Ramzan-ul-Mubarak, 1441 H (25-04-2020). The amount is		
15.4 Commitments		2023 Rupees	2022 Rupees
The Trust has commitments in respect of construction at Manga Campus:			
Establishment of SCOMS, Gulberg		-	613,460
New Aligarh University		321,503,700	7,625,411
		<u>321,503,700</u>	<u>8,238,871</u>

KMS

Particulars	The Tehzibul Akhlaq Trust Office, Lahore	Allgarh Public School and College, Gulberg, Lahore	Allgarh Public School & College, Manga	Sir Syed College of Computer Science (SCOCS)	2023 Total Rupees	2022 Total Rupees
16 INCOME						
Unrestricted income						
Donations	39,730,883	-	-	-	39,730,883	22,500,554
Profit on investment and bank accounts	7,293,972	-	157,917	-	7,451,889	7,048,234
Income from sale of Monthly Tehzibul Akhlaq Magazine	840,160	-	-	-	840,160	728,000
Membership fee	15,000	-	-	-	15,000	65,000
Tuition fee and other funds - net	-	45,672,027	75,448,913	5,956,209	127,077,149	115,463,600
Admission fees / test fees	-	895	3,015,501	-	3,016,396	2,994,000
Examination and other fees	-	522,775	1,240,885	-	1,763,660	1,498,059
Forfeited students securities	-	-	2,000	-	2,000	156,000
Sale of progress reports / prospectus	-	248,250	215,100	11,100	474,450	329,550
Mess fund	-	-	20,191,133	-	20,191,133	17,313,920
Provident Fund	29,704	-	-	-	29,704	-
Hostel income	-	-	12,650,913	-	12,650,913	8,824,211
Examination and other fees (SCOMS)	584,473	-	-	-	584,473	-
Rental income	-	-	-	-	-	110,000
Miscellaneous	35,550	84,156	1,362,906	164,531	1,647,143	2,470,016
	48,529,742	46,528,103	114,285,268	6,131,840	215,474,953	179,501,144

17 EXPENDITURE

	Admin and general expenses	Operating expenses	Total operating expenses	2023 Total Rupees	2022 Total Rupees		
Salaries and other benefits:							
- Salary expense	3,174,700	38,828,601	51,694,397	7,433,597	97,956,595	101,131,295	88,742,602
- EOBI	180,920	1,561,222	1,206,870	86,050	2,854,142	3,035,062	1,428,940
- Provident fund	-	1,822,945	1,940,435	182,628	3,946,008	3,946,008	3,324,024
- Social security expense	147,032	-	1,736,728	33,110	1,769,838	1,916,870	1,377,891
- Other benefits	10,000	428,801	170,102	-	598,903	608,903	582,004
Legal and professional charges	823,874	-	1,950	1,950	825,824	305,576	
Audit fee	311,500	-	100,500	67,000	167,500	479,000	210,000
MTA Printing	199,043	519,979	319,987	-	-	1,039,009	-
Repairs and maintenance	200,445	2,114,474	3,141,670	226,535	5,482,679	5,683,124	5,449,654
Petrol, oil and lubricants	122,014	428,840	2,994,450	-	3,423,290	3,545,304	2,446,219
Students' related activity	-	1,439,938	1,308,706	179,455	2,928,099	2,928,099	1,561,561
Examination expense	-	448,816	1,001,987	280,055	1,730,858	1,730,858	921,277
Advertisement	-	323,160	926,897	541,319	1,791,376	1,791,376	2,055,004
Teachers' training expenses	-	65,000	-	-	65,000	65,000	25,760
Telephone, postage and internet	735,652	147,989	67,602	51,722	267,313	1,002,965	623,035
Utilities	231,021	3,371,308	7,215,542	1,119,188	11,706,038	11,937,059	9,751,570
Mess expenses	-	-	16,348,395	-	16,348,395	16,348,395	14,057,879
Printing and stationery	102,016	838,040	303,421	151,229	1,292,690	1,394,706	1,687,342
Travelling and conveyance	30,456	44,269	423,027	12,299	479,595	510,051	397,595
Entertainment	437,769	50,257	216,182	42,603	309,042	746,811	387,933
Insurance Expenses	-	16,841	16,413	-	33,254	33,254	33,187
Fees and subscription	-	31,080	10,000	300,000	341,080	341,080	2,740,136
Expenses on Qutab Shah Campus case	70,870	-	-	-	-	70,870	672,277
Bank charges	199,633	7,705	149,557	-	157,262	356,895	394,280
Parking fee	-	1,500	-	-	1,500	1,500	18,400
Preliminary Expenses	2,904,821	-	-	-	-	2,904,821	40,623
Miscellaneous & Bad debts	55,933	-	137,820	744,805	882,625	938,558	840,422
Depreciation	5,696,603	624,548	4,236,647	340,439	5,201,635	10,898,237	11,574,748
	15,634,301	53,115,313	95,669,285	11,792,034	159,736,666	176,210,934	151,649,939

Handwritten signature/initials

18 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Executive Officer for allocation of resources and assessments of performance. Based on internal management reporting structure and services provided, the Trust is organized into the following four operating segments:

	Number of entities
Head Office Trust	1
Aligarh Public Schools and Colleges	4
	5

The management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including profit from operations, reduction in operating cost and free cash flows. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment assets include all operating assets used by a segment and consist principally of receivables, stores and property and equipment, net of impairment and provisions. Segment liabilities include all operating liabilities and consist principally of security deposits.

19 SEGMENT ANALYSIS

The segment information for the reportable segments for the year ended June 30, 2023 is as follows.

Particulars	Head Office Trust	Aligarh Public School and College	Aligarh School, Mess & Hostel, Manga	Total
	Rupees			
Segment Results for the year ended June 30, 2023				
Income	41,411,401	133,769,245	32,842,418	208,023,064
Interest income	7,293,972	157,917	-	7,451,889
Less: Other operating expenses	21,389,294	117,919,386	26,004,017	165,312,697
(Deficit) / surplus before Dep/Amortization	27,316,080	16,007,776	6,838,401	50,162,257
Depreciation	6,037,042	4,861,195	-	10,898,237
(Deficit) / surplus for the year	21,279,038	11,146,581	6,838,401	39,264,019
Segment Results for the year ended June 30, 2022				
Income	24,326,644	121,988,135	26,138,131	172,452,910
Interest income	6,983,194	65,040	-	7,048,234
Less: Other operating expenses	10,047,471	108,990,149	21,037,571	140,075,191
(Deficit) / surplus before Dep/Amortization	21,262,368	13,063,026	5,100,560	39,425,953
Depreciation	(5,962,818)	(5,611,930)	-	(11,574,748)
(Deficit) / surplus for the year	15,299,550	7,451,096	5,100,560	27,851,205

ICIB

20 FINANCIAL INSTRUMENTS

Basic Financial Instruments by Categories

Long Term Deposit	Loans and Advances	Cash and Cash Equivalents	Total
-------------------	--------------------	---------------------------	-------

Rupees

Financial Assets as at June 30, 2023

Long term deposit	-	-	-
Advances, deposits and other receivables	-	45,081,538	45,081,538
Short term investment	-	98,175,210	98,175,210
Cash and bank balances	-	53,859,697	53,859,697
	-	152,034,907	197,116,445

Financial Assets as at June 30, 2022

Long term deposit	26,015,000	-	26,015,000
Advances, deposits and other receivables	-	26,472,059	26,472,059
Short term investment	-	32,000,000	32,000,000
Cash and bank balances	-	67,710,124	67,710,124
	26,015,000	99,710,124	152,197,183

Financial Liabilities as at June 30,

	2023 Rupees	2022 Rupees
Security deposits		
Creditors, accrued and other Liabilities	22,916,835	28,522,174
	14,652,410	8,707,036
	37,569,245	37,229,210

21 NUMBER OF EMPLOYEES

2023	2022
280	260

22 RELATED PARTIES RELATIONSHIP & TRANSACTION

<u>Nature of Transactions</u>	<u>Relationship</u>	2023 Rupees	2022 Rupees
Membership fee	Trustees	15,000	65,000
Donation Scholarship	Trustees	27,668,200	-
Donation Zakat	Trustees	5,569,000	-
Donation SCOCS Scholarship	Trustees	1,000,000	-
University Project	Trustees	42,397,318	13,100,000
Plantation	Trustees	300,000	100,000
		76,949,518	13,265,000

No remuneration is paid to Honorary Secretary General, Trustees and members of the Executive Committee of the Trust during the year.

23 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized by the Executive Committee for issuance on *December 23, 2023*

24 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison. No re-arrangements / re-classifications have been made in these financial statements for better presentation.


HONORARY SECRETARY GENERAL

10/12/23


FINANCE MANAGER