

**AI MUJTABA EDUCATION TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2019**

AUDITORS' REPORT TO TRUSTEES

We have audited the annexed statement of receipt and payment of the **AL MUJTABA EDUCATION TRUST** as at **June 30, 2019** together with the notes forming part thereof (here-in-after referred to as the financial statements), for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **AL MUJTABA EDUCATION TRUST** as at **June 30, 2019**, 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 auditing standards 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 **AL MUJTABA EDUCATION 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.

Other Matter Paragraph

The financial statements for the year ended June 30, 2018, were audited by Amir Alam Khan & Co (Chartered Accountants) and issued un-modified report on February 19, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Trustees 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 Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

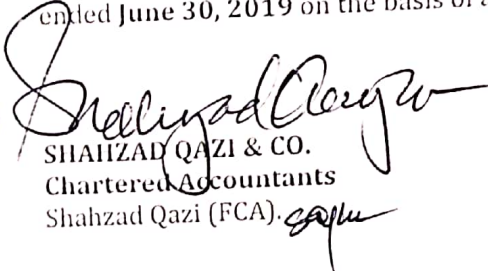
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

As part of an audit in accordance with ISAS as applicable in Pakistan, we exercised professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AL MUJTABA EDUCATION TRUST's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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 AL MUJTABA EDUCATION TRUST's ability to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represented the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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 identified during our audit.

As described in notes, the financial statements have been prepared on the accrual basis of accounting, which is a comprehensive basis of accounting other than the generally accepted accounting principles. In our opinion the financial statements present fairly, in all material respects, the cash receipts and expenditure for the year ended June 30, 2019 on the basis of accounting as described in to the financial statements.


SHAHZAD QAZI & CO.
Chartered Accountants
Shahzad Qazi (FCA).




Date 11 6 DEC 2019
Islamabad


AL MUJTABA EDUCATION TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	4	760,223	873,527
CURRENT ASSETS			
Cash and bank balances	5	36,532,357	16,815,515
Advance Tax		102,787	-
TOTAL ASSETS		37,395,366	17,689,042
LIABILITIES			
Scholarship Payable		18,053,828	-
NET ASSETS		19,341,538	17,689,042
REPRESENTED BY			
General fund	6	(73,856)	567,562
Other specific funds	7	19,415,394	17,121,480
		19,341,538	17,689,042

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

19


Brig (Retd)
Asad Hakeem
Secretary
Al-Mujtaba Education Trust Rwp.


Lt Gen (R) Ghulam Muhammad Malik
Chairman
Al-Mujtaba Education Trust Rwp.

AL MUJTABA EDUCATION TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Income		4,478,209	2,336,879
Administrative Expenses	8	(5,119,627)	(2,688,728)
Deficit Before Tax		(641,418)	(351,849)
Taxation		-	-
Deficit after Tax		(641,418)	(351,849)

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

Handwritten mark

Handwritten signature of Asad Hakeem

**Brig (Retd)
Asad Hakeem
Secretary
Al-Mujtaba Education Trust Rwp.
TRUSTEE**

Handwritten signature of Lt Gen (R) Ghulam Muhammad Malik

**Lt Gen (R) Ghulam Muhammad Malik
Chairman
Al-Mujtaba Education Trust Rwp.**

TRUSTEE

AL MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

AL-MUJTABA EDUCATION TRUST ("the trust") was registered on February 11, 2016 under the Trust Act, 1882. It is situated at House 6, Askari Villas, Imran Khan Avenue, Chaklala Scheme III, Rawalpindi. The trust is engaged in:

The objectives of Al Mujtaba trust is to selecting talented boys and girls from government schools at primary and middle level and supporting their further education. Where necessary, admitting them in higher quality schools and bearing their expenses on fees, uniforms and conveyance etc.

Arranging and where necessary financing poly technical, vocational and computer training for boys and girls having aptitude, thereby enabling them for suitable jobs.

2 BASIS OF PREPARATION

2.1 Statement of compliance

"These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) for small and medium-sized entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed."

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which trust operates. The financial statements are presented in Pakistan Rupees which is trust's functional and presentation currency.

2.4 Significant accounting estimates

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

AL MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

2.4.1 Property and equipment

Trust reviews useful lives and residual value of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss.

2.4.2 Provision for other receivables

Trust reviews the carrying amount of other receivables on a regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of provision is made.

2.4.3 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. Any change in estimates in future years might affect the carrying amounts of respective assets with a corresponding effect on depreciation/ amortization charge and impairment.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

3.1 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Normal repairs and maintenance are charged to the income and expenditure account as and when incurred whereas major improvements and modifications are capitalized.

Depreciation is charged to income by applying the straight line method. Rates of depreciation are mentioned in note 4.

AL MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Depreciation is charged on pro-rata basis from the month in which items of property and equipment is acquired or capitalized, while no depreciation is charged for the month in which the items of property and equipment are disposed off. Days in excess of fifteen days are considered as full month for the purpose of calculation of depreciation.

Gains and losses, if any, on the disposal of property and equipment are charged to the income and expenditure account.

3.2 Foreign currency

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to income for the year.

3.3 Other income

Profit on bank deposit is accounted for on a time proportion basis. Membership fee from members is recorded when it becomes due. All other income is recognized when right to receive the same is established.

3.8 Grants

Restricted grant

Grant received for specific purposes are classified as restricted grant. Such grant is transferred to income and expenditure account as grant income to the extent of actual expenditure incurred there against. Expenditures incurred against committed grant but not received is accrued and recognised in income and is reflected as grant receivable only if conditions of agreement are met. Unspent portion of such grant are reflected as restricted grant in the balance sheet.

Unrestricted grant

Grants received without any conditions are recognized as income during the year of receipt.

Deferred capital grant

Grants related to property and equipment are accounted for by setting up the grant as deferred capital grant. This is recognized as income on a systematic basis in line with the pattern in which related assets are utilized By Trust.

AL MUJTABA EDUCATION TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Office Equipment	Furniture and fixtures	Computers	Total
Year ended June 30, 2018				
Opening net book value	-	41,850	25,680	67,530
Additions during the year	159,473	464,271	432,400	1,056,144
Transfers / disposals:	-	-	-	-
Depreciation charge	(23,921)	(77,246)	(148,980)	(250,147)
Closing net book value	135,552	428,875	309,100	873,527
At June 30, 2018				
Cost	159,473	514,971	496,600	1,171,044
Accumulated depreciation	(23,921)	(86,096)	(187,500)	(297,517)
Net book value	135,552	428,875	309,100	873,527
Year ended June 30, 2019				
Opening net book value	135,552	428,875	309,100	737,975
Additions during the year	16,370	-	22,000	38,370
Transfers / disposals:	-	-	-	-
Depreciation charge	(22,788)	(64,331)	(64,554)	(151,674)
Closing net book value	129,134	364,544	266,546	760,223
At June 30, 2019				
Cost	175,843	514,971	518,600	1,209,414
Accumulated depreciation	(46,709)	(150,427)	(252,054)	(449,191)
Net book value	129,134	364,544	266,546	760,223
Depreciation rate	15%	15%	30%	

AL MUJTABA EDUCATION TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
5 CASH AND BANK BALANCES			
Cash in hand		13,894	68,542
Cash at bank			
Donation Account		22,789,299	15,839,390
Zakat Account		13,729,164	907,583
		<u>36,532,357</u>	<u>16,815,515</u>
6 GENERAL FUND			
Opening balance		567,562	919,411
Deficit for the year		(641,418)	(351,849)
		<u>(73,856)</u>	<u>567,562</u>
7 OTHER SPECIFIC FUND			
Education Fund	7.1	13,652,773	6,322,847
Zakat Fund	7.2	23,816,449	10,798,634
Already Committed Education Expenses		(18,053,828)	
		<u>19,415,394</u>	<u>17,121,480</u>
7.1 EDUCATION FUND			
Opening balance		6,322,847	8,750,647
Grant received during the period		22,982,020	16,319,775
Profit on bank account		715,870	293,010
Other Receipt		200,000	
		<u>30,220,736</u>	<u>25,363,432</u>
Educational expenses		(14,258,735)	(17,364,977)
Transfer to general fund - 10 % of the receipt	7.3	(2,298,202)	(1,631,978)
Bank Charges		(11,026)	(43,631)
		<u>13,652,773</u>	<u>6,322,847</u>
7.2 ZAKAT FUND			
Opening Balance		10,798,634	4,412,022
Zakat received during the period		21,800,070	7,049,005
Profit on bank accounts		95,212	50,171
		<u>32,693,916</u>	<u>11,511,198</u>
Educational expenses		(6,695,720)	
Transfer to general fund - 10 % of the receipt	7.3	(2,180,007)	(704,901)
Bank Charges		(1,740)	(7,664)
		<u>23,816,449</u>	<u>10,798,634</u>
7.3 The Trust utilizes 10% of donation and zakat received during the year to meet its operational and administrative expenses.			

AL MUJTABA EDUCATION TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
8 ADMINISTRATIVE EXPENSES			
Salaries		2,477,236	1,067,852
Utility Bills		132,505	90,805
Entertainment		150,356	109,275
Chairman Visit		97,939	-
Travel & Conveyance		283,428	273,290
Postage Exp		71,518	-
Communication		-	34,361
Misc Exp		50,902	32,672
Printing & Stationery		125,690	143,970
Repair and Maintenance		41,070	250,147
Gift		15,900	-
Award		31,000	-
Training		7,500	90,060
Audit Fee		18,000	-
Legal and Professional		-	20,000
Tax charges		65,093	-
Fee and Subscription		111,000	136,296
Office Rent		487,836	440,000
Depreciation Expense		151,674	-
VC expense		790,980	-
Other Expense		10,000	-
		5,119,627	2,688,728

9 TOTAL NUMBER OF EMPLOYEES

Total employees of the Company at the year end	21	18
Average employees of the Company during the year	17	15

10 DATE OF AUTHORIZATION

These Financial Statements have been authorized for issue on 16 DEC 2019 by the Board of Trustees of the Trust.

11 GENERAL

Figures have been rounded off to Nearest Rupee. *19*

Asad Hakeem
**Brig (Retd)
 Asad Hakeem
 Secretary**
 Al-Mujtaba Education Trust Rwp.
 TRUSTEE

Ghulam Muhammad Malik
**Lt Gen (R) Ghulam Muhammad Malik
 Chairman**
 Al-Mujtaba Education Trust Rwp.
 TRUSTEE