



GREEN CRESCENT TRUST

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

EY Ford Rhodes
Chartered Accountants
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Independent auditors' report to the Trustees

We have audited the accompanying financial statements of **Green Crescent Trust** (the Trust) which comprise of the balance sheet as at **30 June 2015**, and the related receipt and expenditure account and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

It is the responsibility of management of the Trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the cash receipts and expenditure basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

The Trust derives certain portion of its receipts from voluntary donations and other sources in the form of cash and kind, accordingly that cannot be fully controlled until they are entered in the accounting records and are not therefore subject to independent audit verification.

Due to significant time lag i.e over one year between the close of the financial year and the issuance of these financial statements, and the non-availability of interim financial statements, we have been unable to review the events subsequent to the balance sheet date.

Opinion

In our opinion, except for the possible effect(s), if any, of the matters stated in the preceding paragraphs, the financial statements present fairly in all material respects the financial position of the Trust as at **30 June 2015** and its surplus for the year then ended in accordance with the cash receipts and expenditure basis of accounting.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner's Name: Tariq Feroz Khan

Date: 04 November 2016

Place: Karachi

GREEN CRESCENT TRUST

BALANCE SHEET AS AT 30 JUNE 2015

	30 June 2015	30 June 2014
Note	-----Rupees-----	

NON-CURRENT ASSETS

Property and equipment	4	62,924,572	45,764,095
Intangible asset	5	100,000	-
Long-term deposits	6	6,127,359	3,073,359
		<u>69,151,931</u>	<u>48,837,454</u>

CURRENT ASSETS

Books		515,570	664,187
Loans, advances and prepayment	7	9,557,280	5,987,540
Bank balances	8	24,350,796	18,558,923
		<u>34,423,646</u>	<u>25,210,650</u>

TOTAL ASSETS

<u>103,575,577</u>	<u>74,048,104</u>
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LESS: CURRENT LIABILITIES

Current maturity of long-term loan		119,016	1,428,576
Accrued expenses		269,915	207,347
		<u>388,931</u>	<u>1,635,923</u>

NET ASSETS

<u>103,186,646</u>	<u>72,412,181</u>
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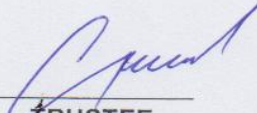
NON-CURRENT LIABILITY

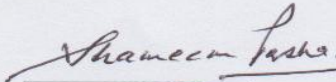
Long-term loan	9	-	119,016
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ACCUMULATED FUNDS

General fund	10	97,879,481	66,112,776
Flood relief fund	11	1,410,991	6,180,389
Education Fund for Sindh	12	3,896,174	-
		<u>103,186,646</u>	<u>72,293,165</u>
		<u>103,186,646</u>	<u>72,412,181</u>

The annexed notes 1 to 18 form an integral part of these financial statements.


TRUSTEE


TRUSTEE



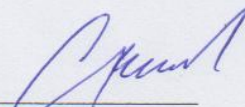
GREEN CRESCENT TRUST

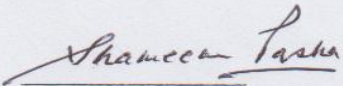
RECEIPTS AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015

		30 June 2015	30 June 2014
	Note	-----Rupees-----	
RECEIPTS			
Zakat		54,312,558	43,148,505
Donations		48,463,043	40,720,541
School fees received from students		46,238,506	34,796,256
EFS – School grant		7,767,200	-
EFS – School Establishment fund	12	15,123,826	-
Profit on bank deposits		1,120,456	824,459
Training income – Centre for Educational Research and Development		840,050	1,002,400
Sale of books		232,860	427,260
Gain on sale of fixed assets		-	22,264
		<u>174,098,499</u>	<u>120,941,685</u>
EXPENDITURE			
School expenses	13	94,190,586	72,161,551
Water project		10,055,767	2,180,480
Head office expenses – secretariat	14	9,116,976	6,641,778
EFS – School Expenses		13,380,798	-
Orphan Support Program		6,887,633	2,088,141
Depreciation	4	4,617,622	3,380,086
Advertisement and publicity		2,169,656	1,560,627
Center for Educational Research and Development expenses	15	864,964	781,674
Book bank		328,940	893,899
Provision against tax deducted at source	7	287,361	320,651
Auditors' remuneration		150,000	100,000
Printing charges		148,617	207,891
Professional charges		82,875	86,250
Amortization	5	50,000	-
Healthcare		-	142,500
		<u>142,331,795</u>	<u>90,545,528</u>
SURPLUS TRANSFERRED TO GENERAL FUND		<u>31,766,704</u>	<u>30,396,157</u>

The annexed notes 1 to 18 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 2015

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. BASIS OF PREPARATION

These financial statements are prepared on the cash receipts and expenditure basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 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 of purchase, 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 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.

3.2 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.

3.3 Intangible asset

Computer software acquired by the Company are stated at cost less amortisation. Cost represents the cost incurred to acquire the software and bring it to use. The cost of computer software is amortised 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 recognised prospectively as a change of accounting estimate.

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

3.4 Revenue recognition

Zakat and donations are recorded as and when received. Donations in kind are recorded at estimated value, determined by an independent valuer on the basis of prevailing market prices.

Training income, school fees, income from sale of books and profit on bank deposits are accounted for on receipt basis.

4. PROPERTY AND EQUIPMENT

Operating fixed assets

Capital work-in-progress

Note	30 June 2015	30 June 2014
	-----Rupees-----	
4.1	46,133,172	36,973,095
4.2	16,791,400	8,791,000
	<u>62,924,572</u>	<u>45,764,095</u>

4.1 Operating fixed assets

Note	COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE	Rate %/years	
	As at 01 July 2014	Additions	As at 30 June 2015	As at 01 July 2014	Charge for the year	As at 30 June 2015	As at 30 June 2015		
	-----Rupees-----			-----Rupees-----					
30 June 2015									
Freehold land	4,150,000	-	4,150,000	-	-	-	4,150,000		
Building:									
Head office	21,430,820	-	21,430,820	5,677,198	787,681	6,464,879	14,965,941	5	
School – owned	2,284,630	-	2,284,630	398,675	94,298	492,973	1,791,657	5	
Leasehold improvements - building	4.1.1	2,957,670	-	2,957,670	1,189,694	492,945	1,682,639	1,275,031	6 yrs
Furniture and fixtures	4.1.2	12,509,956	10,693,827	23,203,783	3,844,752	1,930,903	5,775,655	17,428,128	10
Office equipment		3,034,090	2,078,252	5,112,342	1,089,244	402,310	1,491,554	3,620,788	10
Computers and related accessories		1,465,801	1,005,620	2,471,421	998,798	441,787	1,440,585	1,030,836	30
Vehicles		4,368,233	-	4,368,233	2,037,246	466,197	2,503,443	1,864,790	20
Library books		127,144	-	127,144	119,642	1,501	121,143	6,001	20
		<u>52,328,344</u>	<u>13,777,699</u>	<u>66,106,043</u>	<u>15,355,249</u>	<u>4,617,622</u>	<u>19,972,871</u>	<u>46,133,172</u>	

Note	COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE	Rate %/years	
	As at 01 July 2013	Additions / (deletion)	As at 30 June 2014	As at 01 July 2013	Charge for the year / (on deletion)	As at 30 June 2014	As at 30 June 2014		
	-----Rupees-----			-----Rupees-----					
30 June 2014									
Freehold land	1,700,000	2,450,000	4,150,000	-	-	-	4,150,000		
Building:									
Head office	21,430,820	-	21,430,820	4,848,060	829,138	5,677,198	15,753,622	5	
School – owned	2,284,630	-	2,284,630	299,414	99,261	398,675	1,885,955	5	
Leasehold improvements building	4.1.1	2,145,395	812,275	2,957,670	696,749	492,945	1,189,694	1,767,976	6 yrs
Furniture and fixtures		7,979,390	4,534,396 (3,830)	12,509,956	2,884,785	962,517 (2,550)	3,844,752	8,665,204	10
Office equipment		2,194,950	839,840	3,034,090	873,150	216,094	1,089,244	1,944,846	10
Computers and related accessories		1,243,421	222,380	1,465,801	798,654	200,144	998,798	467,003	30
Vehicles		3,125,233	1,281,000 (38,000)	4,368,233	1,477,679	578,111 (18,544)	2,037,246	2,330,987	20
Library books		127,144	-	127,144	117,766	1,876	119,642	7,502	20
		42,230,283	10,139,891 (41,830)	52,328,344	11,996,257	3,380,086 (21,094)	15,355,249	36,973,095	

4.1.1 This represents the expenditure incurred on rented school premises. This cost is depreciated over six years period.

4.1.2 This includes furniture and fixtures purchased during the year for the establishment of schools through Education Fund for Sindh as stated in note 12.1.

30 June 2015 30 June 2014

-----Rupees-----

4.2 Capital Work in Progress

Advance given in respect of:

As at 01 July

Advance against construction on school premises

Advance against purchase of freehold land

8,791,000	-
4,879,150	-
3,121,250	8,791,000
<u>16,791,400</u>	<u>8,791,000</u>

5. INTANGIBLE ASSETS

	C O S T			ACCUMULATED AMORTIZATION			Book value	
	As at 01 July 2014	Additions	As at 30 June 2015	As at 01 July 2014	Charge for the year	As at 30 June 2015	as at 30 June 2015	Amortization rate
	-----Rupees-----							%
Computer software	-	150,000	150,000	-	50,000	50,000	100,000	33.33
2015	-	150,000	150,000	-	50,000	50,000	100,000	
2014	-	-	-	-	-	-	-	

Note 30 June 2015 30 June 2014
-----Rupees-----

6. LONG-TERM DEPOSITS

Security deposits – rent

<u>6,127,359</u>	<u>3,073,359</u>
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7. LOANS, ADVANCES AND PREPAYMENT

Loans

Employees

7.1	196,000	68,600
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Advances

Employees

Others

7.2	7,584,080	4,997,440
	950,000	550,000
	<u>8,534,080</u>	<u>5,547,440</u>

Tax deducted at source

Provision made during the year

1,148,070	860,709
<u>(1,148,070)</u>	<u>(860,709)</u>

Prepayment

Rent

827,200	371,500
<u>9,557,280</u>	<u>5,987,540</u>

7.1 These are interest free personal loans given to the employees of the Trust, recoverable in one year.

7.2 This represents advances given to employees for incurring routine expenses of the schools.

Note 30 June 2015 30 June 2014
-----Rupees-----

8. BANK BALANCES

Current accounts

Savings accounts

8.1	7,115,192	2,320,592
	<u>17,235,604</u>	<u>16,238,331</u>
	<u>24,350,796</u>	<u>18,558,923</u>

8.1 These carry return at rates, ranging between 5% to 5.5% (2014: 4% to 5%) per annum.

	Note	30 June 2015	30 June 2014
		-----Rupees-----	
9. LONG-TERM LOAN – Diminishing Musharkah Finance			
From a commercial bank	9.1	119,016	1,547,592
Current portion shown under current liabilities		(119,016)	(1,428,576)
		<u>-</u>	<u>119,016</u>

- 9.1 The Trust had entered into a Diminishing Musharkah Agreement with an Islamic Bank for the purchase of a building. The share of the Islamic Bank in the asset is purchased by the Trust in 84 equal installments in form of units. The profit rate on this agreement for the rentals against the units held by the bank is 14.75% per annum. These are secured against proportionate ownership and an equitable mortgage by deposit of the deeds in respect of the Musharaka property, personal guarantees of the Trustees and a demand promissory note.

	Note	30 June 2015	30 June 2014
		-----Rupees-----	
10. GENERAL FUND			
Opening balance		66,112,776	35,716,619
Surplus transferred during the year		31,766,704	30,396,157
		<u>97,879,480</u>	<u>66,112,776</u>

11. FLOOD RELIEF FUND			
Opening balance		6,180,389	11,202,931
Utilised during the year		(4,769,398)	(5,022,542)
		<u>1,410,991</u>	<u>6,180,389</u>

12. EDUCATION FUND FOR SINDH

Schools Establishment Fund

Receipts during the year		19,020,000	-
Funds utilized as:			
- capital expenditure	12.1	(10,471,175)	-
- general expenses		(4,652,651)	-
		<u>(15,123,826)</u>	<u>-</u>
		<u>3,896,174</u>	<u>-</u>

- 12.1 The amount represents furniture and fixtures purchased for various schools as stated in note 4.1 to the financial statements.

		30 June 2015	30 June 2014
		-----Rupees-----	
13. SCHOOLS' EXPENSES			
Salaries, allowance and benefits		65,219,014	48,864,118
Printing and stationery		2,669,584	2,250,020
Vehicle running and maintenance		1,171,299	1,067,620
Repair and maintenance		4,829,453	5,424,797
Rent		11,599,657	7,890,186
Travelling and conveyance		3,004,190	2,391,477
Functions and seminars		1,518,671	1,314,766
Training		685,120	240,072
Publicity and advertising		211,267	130,786
Office supplies		133,245	277,341
Entertainment		1,389,011	1,056,417
Utilities		1,183,729	941,332
Communication expense		499,879	206,277
Others		76,467	106,342
		<u>94,190,586</u>	<u>72,161,551</u>

30 June
201530 June
2014

-----Rupees-----

14. HEAD OFFICE EXPENSES – SECRETARIAT

Salaries and allowances	6,202,895	4,607,523
Rental of Diminishing Musharaka asset	131,695	342,410
Utilities	253,407	211,131
Printing and stationery	351,427	78,806
Office supplies	73,774	103,170
Vehicle running and maintenance	398,343	344,592
Legal and professional expense	153,125	-
Communication expenses	143,533	131,707
Postage and telegram	2,199	350
Bank charges	117,627	12,145
Repairs and maintenance	566,151	148,903
Entertainment	197,930	138,129
Others	524,870	522,912
	<u>9,116,976</u>	<u>6,641,778</u>

15. CENTRE FOR EDUCATIONAL RESEARCH AND DEVELOPMENT EXPENSES

Salaries and allowances	576,840	552,000
Printing and stationery	58,633	40,770
Repairs and maintenance	103,930	20,352
Training and consultancy	24,725	13,000
Functions and seminars	39,019	99,498
Conveyance and travelling expenses	6,295	18,122
Office supplies	9,980	1,550
Communication expenses	19,400	14,500
Entertainment expenses	19,062	21,512
Others	7,080	370
	<u>864,964</u>	<u>781,674</u>

16. TAXATION

The Trust has been granted exemption from tax under clauses (58) and (59) of Part - I of the Second Schedule to the Income Tax Ordinance, 1979 by the Deputy Commissioner of Income Tax. The Trust has filed the return for the year under section 114(4) of Income Tax Ordinance, 2001, which shall be taken to be assessment orders passed by the Commissioner of Income Tax (CIT) on the day the said returns are furnished.

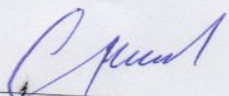
17. DATE OF AUTHORIZATION FOR ISSUE

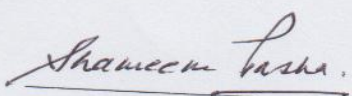
These financial statements have been authorized for issue by the Board of Trustees on _____.

18. GENERAL

Figures have been rounded off to the nearest rupee.

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