

2015-16

ANNUAL REPORT



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Introduction

Association for Academic Quality (AFAQ), is a not-for-profit company operating under Section 42 of Securities and Exchange Commission of Pakistan. It is certified by PCP (Pakistan Center of Philanthropy) for governance, transparency and program delivery. It is a movement to raise the educational standards in Pakistan. It has been established as a voluntary organization in collaboration with the leading school systems of Pakistan. This venture is supported by expatriate Pakistanis, leading scholars, educationists and professionals in Pakistan. The board of governors guides the operations of AFAQ. The general membership of this organization is open to all schools, educational systems, research organizations and training institutions with a general focus on quality.

AFAQ covers the following activities for educational systems in the Islamic Republic of Pakistan and abroad:

- AFAQ aims at developing curricula, textbooks, teacher guides and supplementary readers for the educational institutions. The curriculum documents and textbooks are developed keeping in view the guidelines of National Education Policies, Ideological Foundations, Pedagogical Requirements and International Standards.
- AFAQ in collaboration with the training institutions offers long-term as well as short-term teacher training programs which may be professional or subject-oriented.
- AFAQ has initiated a consultative series of school visits to provide guidance to them on developing self-directed school systems.
- AFAQ contributes to quality-oriented endeavors of public and private sectors.
- AFAQ has initiated a student assessment program.

So far, AFAQ has developed school textbooks pre-primary to elementary level, after benchmarking international curricula. AFAQ is one of the largest training organizations in Pakistan; since its impaction, it has trained more than 2,76,758 teachers in all districts of Pakistan. AFAQ monthly publishes 30,000 copies of AFAQ Children Encyclopedia in three languages: Urdu, English and Arabic.

To further augment its efforts, AFAQ is also jointly working with Punjab Education Foundation, Punjab Textbook Board, and AJK Textbook Board to strengthen public private partnership in Pakistan.

The AFAQ Governing Body

Dr. Hasan Sohaib Murad

Chairman

Mr. Abrar Ahmed

Chief Executive Officer

Mr. Mahmood Ahmed

Director

Mr. Muhammad Naeem Qureshi

Director

Mr. Ishtiaq Ahmed Gondal

Director

Mr. Syed Waqas-ur-Rahman Jafri

Director

Mr. Abdul Ghaffar Umar

Director

Mr. Fazal-e-Aziz

Director

Mr. Mian Muhammad Akram

Director

Mr. Misbah ul Huda Siddiqui

Director

Mission

AFAQ will mediate between the future and the present and will act as a forerunner in shaping the destiny of the nation. In the name of Allah and to serve the cause of Islam and Pakistan, AFAQ will contribute to holistic development of schools, teachers, and pupils. Keeping in view the contextual framework and global standards, AFAQ will generate educational resources, support services, and learning programs employing all mediums in non-governmental settings.

Vision

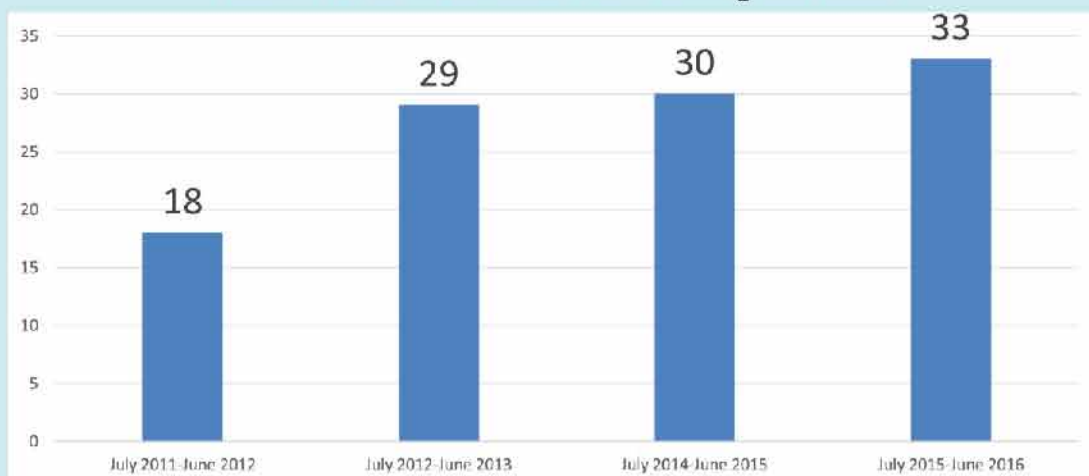
Strengthening Education
for Change

AFAQ has overall 29 Offices in Pakistan

Year-wise AFAQ Offices

Fiscal Years	Offices
July 2011 to June 2012	18
July 2012 to June 2013	29
July 2014 to June 2015	30
July 2015 to June 2016	33

Year-wise Number of AFAQ Offices



1 Research

AFAQ is dedicated to promoting quality education through its comprehensive and distinct development programs. To make it practical, there are many departments in-process for the last eleven years. Research and Development is one of the efficient departments and always works as a backbone of the organization. It serves to uplift the educational standards in regard to Curriculum and Book Development fields. The AFAQ's Curriculum Committee keeps a keen check on the latest and upcoming reforms to enhance the quality of the content.

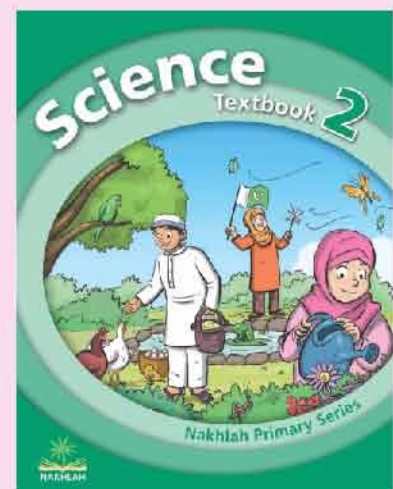
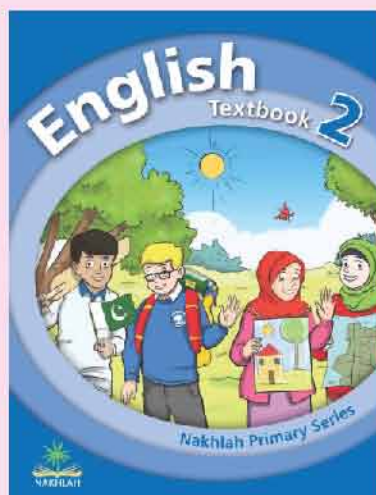
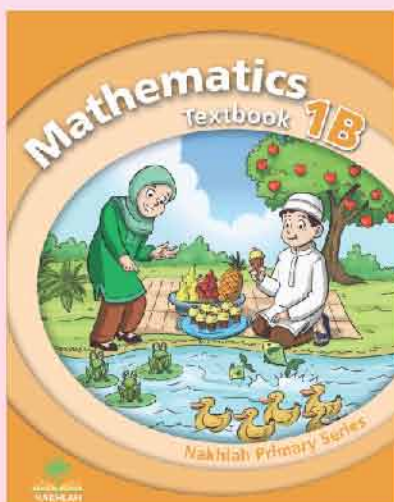
In order to serve the cause of Islam and Pakistan, AFAQ is committed to contributing to the holistic development of students, teachers and organisations, keeping in view the global educational standards. To fulfill the demand of the era, AFAQ has developed the following series:

1.1 NAKHLAH and SUN SERIES (Grades 1-3)

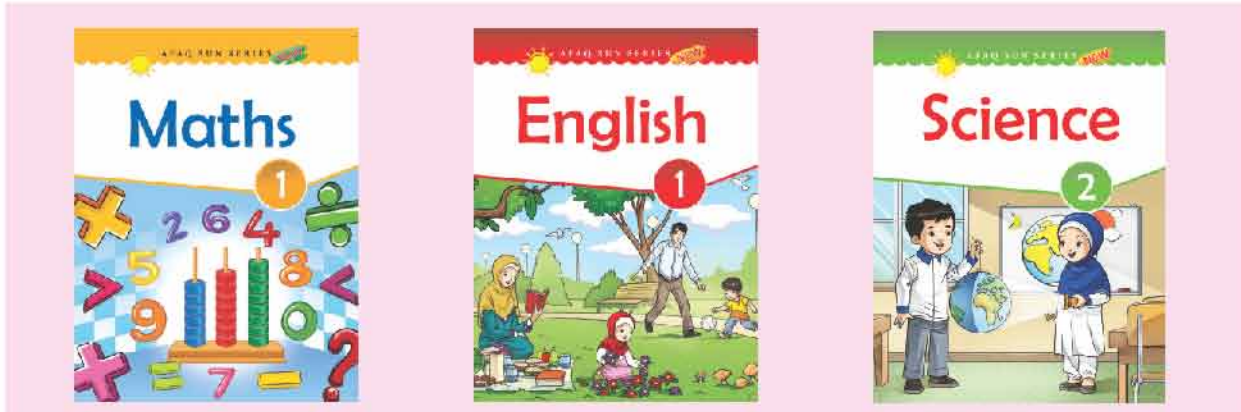
Nakhlah and Sun Primary Series are based on exciting activities which always aim to shape the young personalities according to the Islamic values. These series focus on problem-solving and life learning skills and encourage the young minds to ask questions and find appropriate answers themselves. To achieve these goals successfully, Blooms' levels are always kept in view. The Character Building Education, a salient feature of these series, plays an important role to inculcate the positive attitudes in them.

1.2 Maths, English, Science, Urdu

Visuals of Nakhlah Series



Visuals of Sun Series



1.3 Activities

To build firm foundation of concepts and to enhance exposure of the students towards daily life, new vocabulary words have been added up as compared to AFAQ Sun Series.

Visuals

Process Skill: Identifying

Process Skill: Comparing and Contrasting

Process Skill: Investigation

To strengthen a concept further and to discourage rote learning, a variety of reinforcement activities has been provided

Visual View

Practicing the mapping skills to build their understanding the global village features

Collecting and pasting pictures to get the first hand knowledge

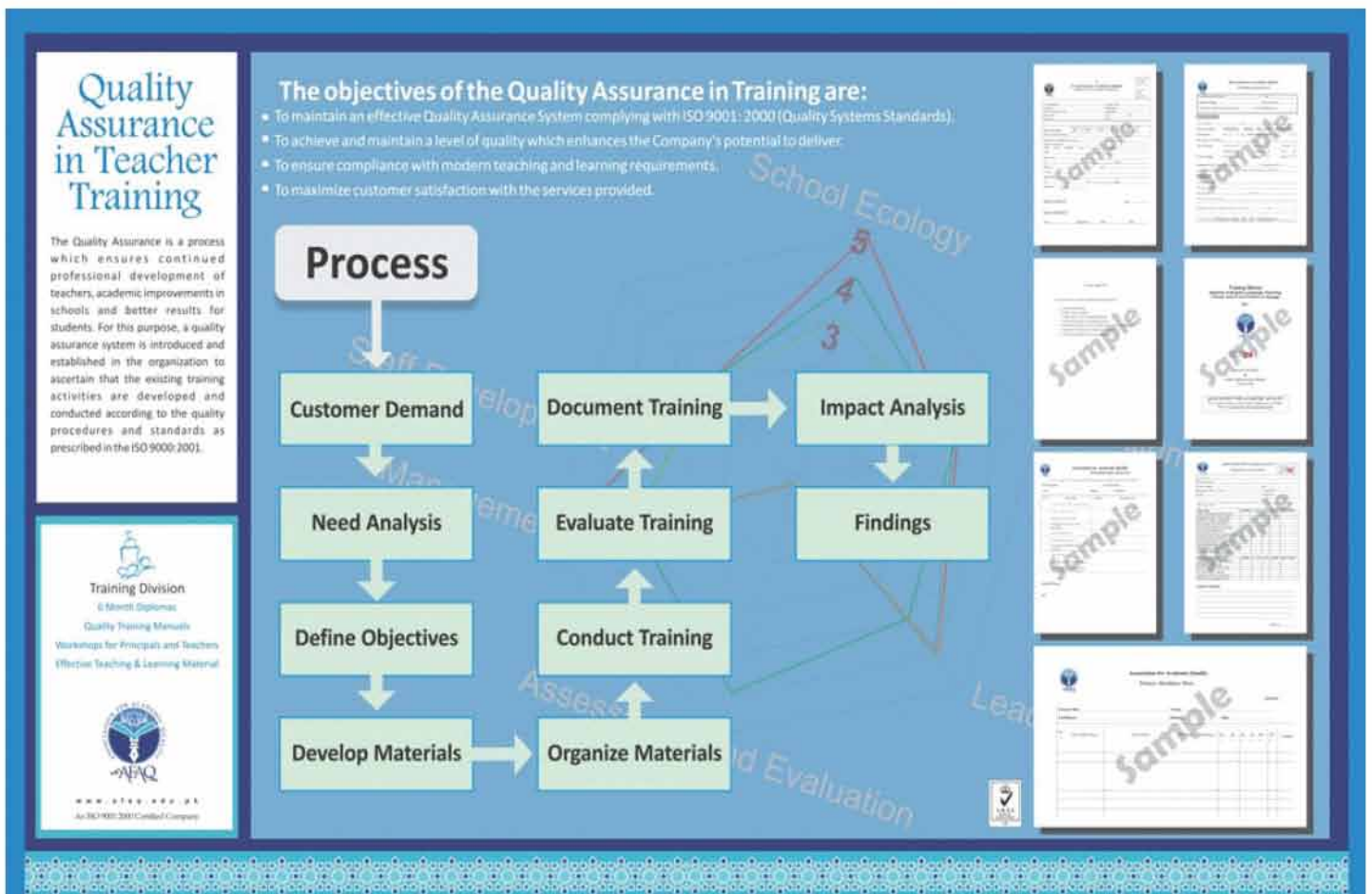
Learning through making models

2

Training

AFAQ provides its training services at the doorstep. AFAQ Training consists of highly committed, vastly experienced, and well trained Teacher Educators struggling to provide effective teacher trainings to improve the standard of teaching. AFAQ Training Division has also acquired the services of notable and well-reputed educationists and resource personnel to bring their expertise to Teacher Training Program. This current year, AFAQ Training Division successfully trained more than 33,985 teachers and 4998 principals in 5468 schools nationwide.

AFAQ Training Division has developed comprehensive training programs to facilitate and train teachers and school management. These programs range from oneday training certification courses to 15 days and diploma programs. AFAQ Training services are not only recognized in the private sector but they are also appreciated in the public sector. A training agreement between Punjab Education Foundation and AFAQ has been signed which is the token recognition in Public Sector.



2.1

Quality Management System (QMS) in Schools

AFAQ partners with American Society for Quality (ASQ), which has expertise in improving quality of educational institutions. Lead trainers from AFAQ have been certified by ASQ to conduct QMS training workshops to improve the system in schools in order to improve the quality of education.

AFAQ has special place for 'QMS in Schools' among its other training programs and the workshops have been conducted regularly over the past few years. The QMS workshops conducted in the year 2015-2016 are detailed hereunder:

Sr.	Regions	Principals	Schools
1	Karachi South	13	13
2	Lahore	20	20
3	Sargodha	20	20
4	Sahiwal	26	17
5	Faisalabad	27	26
6	Karachi South	19	17
	Total	153	129



2.2 Principal Convention (PC)

The main objective of Principal Convention (PC) is to provide latest management and administrative techniques to the principals and management staff of schools nationwide. The PCs conducted over the year have equipped the principals and management staff with the much needed tools and techniques to run their institutions more productively with highest standards of quality. The PCs conducted in the year 2015-2016 are detailed hereunder:

Regions	No. of PCs	No. of Participant
Abbotabad	2	524
AJK	6	1140
Bahawalpur	16	1442
Balochistan	2	412
Chitral	1	45
D.I.Khan	3	421
Faisalabad	2	238
Gilgit	4	257
Gujrat	8	700
Hyderabad	2	752
Islamabad	2	896
Karachi Central & West	7	2019
Karachi East & Malir	2	950
Karachi South	2	661
Lahore North	2	1267
Lahore South	7	350
Gujranwala	13	1402
Mardan	12	893
Multan	3	2359
Muzaffarabad	1	45
Peshawar	17	1651
Sahiwal	5	821
Sargodha	2	626
Sialkot	2	659
Swat	3	435
Total	126	20965



2.3 Certificate Courses

AFAQ Training Division also conducts 1- day to 3-day training workshops in session-based training models. There are 100+ training topics to be selected from. Principals and teachers participate in these courses to improve their skills and learn the latest tools and techniques being used in the field. The Certificate Courses conducted in the year 2015-2016 are detailed hereunder:

Fiscal Year	No. of Trainings Conducted	No. of Days Achieved	No. of Topics Taught	No. of Sessions	No. of Participants		No. of Schools
					Principals	Teachers	
2015-2016	2075	5633	139	5419	4998	33985	5468

2.4

Training Projects of Year 2015-16:

Major Projects:

Project 1 = BBSYDP Project (Benazir Bhutto Shaheed Youth Development Project, Sukkur)

(1) Project Objective: The objective of BBSYDP Project is to give teacher trainings to newly (fresh) graduate individuals (only Females) of different Districts of regional Sindh province for ultimate improvement in teacher training tactics for Early Childhood Education in Sindh province, under the umbrella of BBSYDP Authority.

(2) Targeted Beneficiaries: The beneficiaries are Female individuals of interior Sindh province. AFAQ provides them Early Childhood Education, teacher's trainings, so that these Females, could perform better in Primary Schools of Sindh province.

(3) Area of Implementation: Primary schools teachers, in interior Sindh province.

(4) Project Donor: BBSYDP Authority, Sindh Govt. and AFAQ

(5) Project Need Assessment: The BBSYDP project need assessment was conducted and submitted to BBSYDP head office with all record.

(6) Geographic Focus: This project was conducted for different districts of interior Sindh Province, (located near sukkur city) at the request of BBSYDP. AFAQ provides Teachers trainings to Females of Sindh, of different districts of Interior Sindh province. This project is look after by AFAQ Regional office Sukkur.

(7) Project Timeline: This BBSYDP Project is for the year 2015-16.

(8) Description of major activities of the Project: The major activities were to train the fresh graduate Females of Sindh province (of interior Sindh districts, situated near Sukkur city). AFAQ provide Early Childhood Education, training to Females candidates for result improvement of primary schools students in Interior Sindh districts. Different types of Teacher, trainings Topics are taught to Female individuals. These Topics are taught by AFAQ's Teacher Educators and Master Trainers of Sukkur region, at decided training venues of Sukkur district, of Sindh Province. The record of trainings conducted by AFAQ for BBSYDP project is submitted at BBSYDP head office, Sindh province.

3

Educational Services

AFAQ Model School Development Program (MSDP) is working to set new educational standards by utilizing the invaluable experience of AFAQ in the fields of curriculum and training. MSDP provides consultancy in the light of latest educational and management research and helps schools to develop modern management systems.

Working of Educational System Development and Quality Assurance

Portfolio	
Benchmarking of International School Systems: Best Practices	154
Benchmarking of International School Systems: Standards & Documents	700+
Quality Review of Educational and School System Components	25
Quality Assurance of System Documents	200
Quality Review and customization of System tool and formats	250+
Quality Review and customization School Consultancy Areas	15
Research and Development of Additional Edu. Services Modules	08

3.1 Educational Pre-Audit –(EPA)

Conducting an EPA within schools is to evaluate the academics, especially with regards to the Teaching-Learning process of an educational institution, as well as measuring the performance of the School Management with respect to practicing a quality management system. Key findings are shared with School Management through an EPA Report which covers a balanced approach towards qualitative assessment and quantitative analysis.

Educational Pre-Audit Areas		
School Leadership	School Ecology	Teaching & Learning
Staff Development	Monitoring & Evaluation	Health & Hygiene
Curriculum	Character Building of Students	Character Building of Teachers
Community Links	School Management	Co-curricular Activities



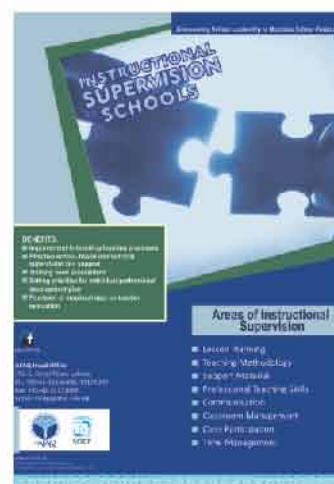
3.2

Instructional Supervision- Classroom Teaching Observation

EPA's in schools are not only to evaluate the existing practices of Teaching and Teaching Methodology in classrooms, but also to recommend on a factual basis, the strengths and weaknesses of each teacher. The carrying out of Instructional Supervision at any school largely contributes towards the development of Individual Development Plans for the teacher.

Teacher Observation Areas

Lesson Planning	Teaching Methodology	Support Material	Class Participation
Professional Teaching Skills	Communication	Classroom Management	Time Management



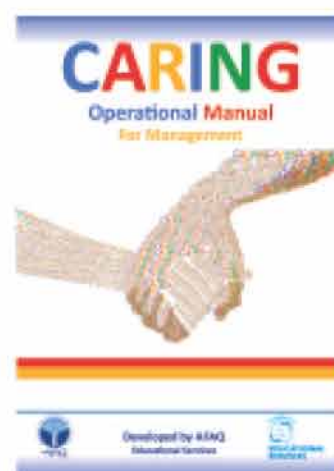
3.3

Character Building

The Tarbiyah Module is a theme-based character building program to address the emerging demand of a highly compatible model with successful integration in line with the modern curricula. It helps schools towards developing a positive impact on school culture, promoting pro-active attitudes among students, enhance community awareness and development, refined building of school image, practicing Islamic values, developing teacher's active role of character building and prepare students as role models for rest of the community.

Theme Based Character Building Operational Manuals

Handbook for Managing Character Building Campaign
New themes of (Respect/Truthfulness/Patriotism)(First Draft)



Educational Services Projects Conducted Across Pakistan

Conducted (Years)	2013-2014	2014-2015	2015- 2016
Educational Pre-Audit - EPA	57	209	262
Instructional Supervision - IS	3	67	204
Character Building –CB	4	4	26304
Career Counseling	4	213	933

Character Building Activities



4

Leaders' Club

AFAQ Leaders' Club provides an opportunity to students to learn life skills by engaging in activities such as, sports, debates, arts competitions, science competitions, camping and training workshops in schools and outside the schools.

4.1 Leadership Development Camps

AFAQ Leaders' Club organize Training Camps for the development of school students. Objectives are given hereunder.

Objectives

- To develop the students as successful leaders
- To inspire young students to seek leadership responsibilities as part of their contribution to their society.
- To Increase awareness of current and emerging leadership challenges in a variety of settings
- To develop life skills in the students and make them true believers
- To train and groom the students according to the teachings of Islam.

2015	Camps	Students
	5	50+50+50+50+47=247



4.2 Creative Writing Competitions

Every year AFAQ Leaders' Club holds a Creative Writing Competition for school students in which they are invited to write a story or essay on a given topic.

Objectives

- To create interest in students to write
- To nurture the creative writing skills of students
- To provide the students with a platform to polish up their writing skills
- To encourage young writers

Particular	Description
Participants	2195
Award Distributed	148
Cash Prizes	31
Ceremonies	52



4.3 Best Student Award Ceremonies

These awards will seek out and celebrate those students for whom talent, skills, leadership and workforce development are demonstrably at the heart of their study.

We passionately believe in celebrating talent as one of the key components to generating the best students and education this country desperately needs.



2015

610 Award Distributed

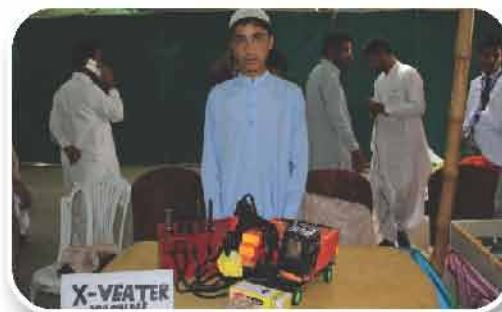
1920 Participants

4.4 Science and Art Fairs 2015

The most vital and fruitful objectives of Science and Art Fair were:

- Providing the most effective and effective educational & learning environment.
- Providing a platform for the students of Pakistan in particular to show their abilities and skills.
- Providing the most prominent opportunity to encourage talent in students and as well as teachers.
- Skills improvement & developing Self-confidence in students.

Cities	Projects	Students
Peshawar	70	255
Gilgit	60	249
Abbottabad	95	304
Sawat	67	203
Gawadar	92	291



4.5 Other Competitions

AFAQ Leaders' Club organized different competitions for students at regional level. ALC provides students opportunities in the form of competitions in which they express their abilities. ALC organizes different competitions among students which are as given hereunder:

Competition Name	Number of Competition	Participants
Speech Competition	32	950
Kalam-e-Iqbal Competition	12	800
Milli Naghma Competition	9	700
Drawing and Art	1	850
Seeart Quiz	2	1100
Quran Quiz	1	400
Iqbal Quiz	1	350
Husan-e-Qirat	5	600
Sports Activities	1	180



4.6 Poster-Making Competition

Creativity at its best.... full of ideas...! Here is a canvas where students can let out their vision. Continuing with our zest for promoting the creativity in you, ALC brings Poster-making Competition. Let that creative side of Students come out with a vivid poster which reflects their thoughts and zest.

This year, AFAQ Leaders' Club has organized Poster-Making Competitions with different themes. Grade 5 to 10 students are invited to design a poster based on the theme.

Region Name	School	Participants
Jhelum	190	615
Gilgit	56	177
Multan	310	989
Quetta	70	221



5

Counseling & Career Guidance

Career counseling is a scientific and systematic process which helps students to discover their personality traits, intelligence, capabilities and interests. Career counseling ensures that a student chooses the career that best suits them, a career that is the beginning of a bright future for them and an assurance to their success in practical life.

5.1 Five-Stage Solution To Your Career Planning and Growth

Self-Exploration

In the first stage, students are given intelligence tests to evaluate their personality, intelligence and interests. A comprehensive report prepared on the basis of these tests identifies the strengths and weaknesses in the personality of an individual and suggests ways of improvement. This report also proposes careers compatible with the intelligence and personality of an individual.

Career-Exploration

In the second stage, students are provided with detailed knowledge of careers all over the world, especially in Pakistan so that they could make the best possible decision about their future.

Career Planning and Decision Making

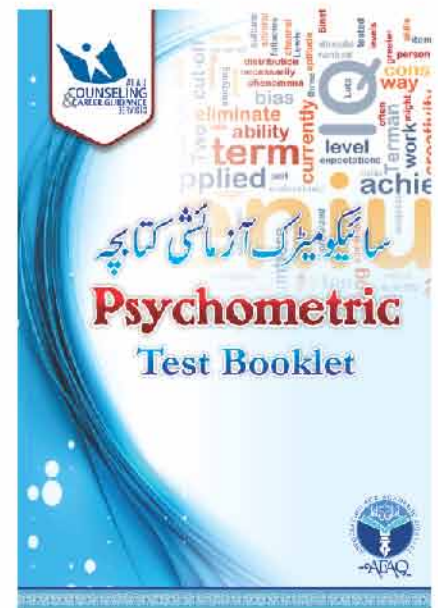
In the third stage, students are trained to choose a career that is ideally suited to their personality and capabilities, and then make a detailed plan to pursue that career.

Search for an Educational Institute and Job

Students are briefed about degrees and courses being offered by leading educational institutes, and taught various job-acquiring skills.

Training Sessions

These sessions aim at personal grooming of students and improving their skills.



5.2

AFAQ Counseling and Career Guidance An Assurance to Your Bright Future!

Students often find it difficult to select the disciplines and careers that match their personality, intelligence and interests. AFAQ Counseling and Career Guidance Department has designed a comprehensive and up-to-date program that caters for this basic educational and economic needs of the youth. Prepared by top class professionals, AFAQ Counseling and Career Guidance assures an individual of success in life and lays the foundation of a bright and prosperous Pakistan.

CCG Services

Aptitude Test (1st Draft)	A Handbook for Psychometric Test Management for ES Team(1st Draft)
Items Development On: EI, Career Inventory, Core Value.	A Handbook for Psychometric Test Management for Sales Team(1st Draft)

5.3

Who Does It Benefit?

Students

- Students are provided with clear guidance on careers that best suit their personality, intelligence and interests.
- It makes the students aware of their own self, thus enabling them to make best use of their capabilities.
- As uncertainty over the choice of a career ends, students achieve the peace of mind and march toward economic stability.

Parents and Teachers

- Parents can now sigh with relief because AFAQ Counseling and Career Guidance is extremely useful for selecting the most appropriate disciplines and careers for their children.
- Once students have made the right choices about their careers, teachers feel their job is already half done.

Schools

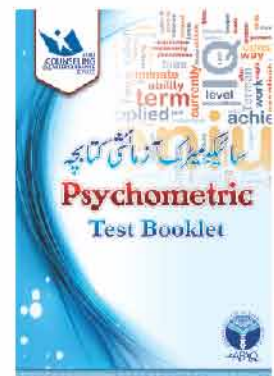
- Top-performing students lead to image-building of their schools.
- AFAQ Counseling and Career Guidance produces best results in school and board examinations. It also leads to a drastic reduction in the number of failed students.
- It helps a lot in achieving educational targets of schools and improving their overall performance.

Society

- There is a sharp decline in unemployment with an increase in the skilled and competent workforce.
- A psychologically sound, financially stable and socially healthy society is the outcome of AFAQ Counseling and Career Guidance.

Salient Features

- Comprehensive training programs for personal grooming
- Complete confidentiality for all psychological tests and reports



6

Encyclopedia Program

The AFAQ Encyclopedia offers unique information on various topics. It presents exciting new information and learning activities for children from 7-13 years of age. This encyclopedia instills a look-it-up habit and captures the imagination of young children with engaging photography, artwork, and information on the topics they love. EncyclopediaAd7-5X10-5-2With articles by scholars from around the world, this set takes an interdisciplinary look at the institutions and practices of societies throughout history. Articles are geared to various subjects and are organized into four topics per month: personalities, countries, inventions and animals.

AFAQ Encyclopedia is the perfect tool for homework assignments, building research skills, and making learning fun for children.

This encyclopedia is first of its kind. This new encyclopedia presents the social, cultural and political history of the world from antiquity to the present day. AFAQ Encyclopedia is the first to document and interpret every work, major and minor, that has played a role in the history of the world. It is by no means a routine mechanical exercise in fact-finding. The creative element is especially focused on while writing this encyclopedia.

6.1 Encyclopedia's Scope

Animals

This topic not only provides an introduction to and interesting habits of animals but also provides information on how we can learn from them.

Islamic Countries

This topic not only covers introduction and history of the Muslim countries but also reflects their positive values and traditions.

Inventions

This topic throws light on all types of inventions in a novel and captivating style. It also describes the role of ancient inventions in modern scientific advancement.

Personalities

This topic describes the life of those persons who left eternal imprints on the Muslim nation with their unmatched knowledge and glorious personalities.



Visuals of AFAQ Encyclopedia



Magnets and Electric Motor

There are two types of magnets: permanent magnets and electromagnets. Permanent magnets are made of certain materials that have the ability to attract iron and other magnetic materials. Electromagnets are made of a coil of wire wrapped around a piece of iron. When an electric current flows through the wire, it creates a magnetic field around the coil. This magnetic field can attract iron and other magnetic materials.

How an Electric Motor Works?

An electric motor is a device that converts electrical energy into mechanical energy. It consists of a stator (the outer part of the motor) and a rotor (the inner part of the motor). The stator is made of several coils of wire. The rotor is made of a coil of wire wrapped around a piece of iron. When an electric current flows through the stator coils, it creates a magnetic field. This magnetic field interacts with the magnetic field of the rotor, causing it to rotate. The rotation of the rotor is what produces the mechanical energy of the motor.

AC Electric Motor

An AC electric motor is a type of electric motor that runs on alternating current (AC). It is the most common type of electric motor used in homes and businesses. AC electric motors are used in a wide variety of applications, including fans, pumps, and power tools.

DC Electric Motor

A DC electric motor is a type of electric motor that runs on direct current (DC). DC electric motors are used in a wide variety of applications, including toys, small appliances, and industrial machinery.

Parts of the Electric Motor

1. Stator: The outer part of the motor, made of several coils of wire.
2. Rotor: The inner part of the motor, made of a coil of wire wrapped around a piece of iron.
3. Commutator: A ring of metal segments that allows the current to flow from the stator to the rotor.
4. Brushes: Carbon blocks that make contact with the commutator to supply current to the rotor.
5. Shaft: A central shaft that the rotor is mounted on, which allows it to rotate.
6. Bearings: Small wheels that support the shaft and allow it to rotate smoothly.

History of the Electric Motor

- 1800: Michael Faraday discovered that an electric current could create a magnetic field.
- 1820: Hans Christian Oersted discovered that a magnetic field could create an electric current.
- 1831: Michael Faraday discovered that a changing magnetic field could create an electric current.
- 1839: Simeon D. Pons discovered that a magnetic field could create a steady electric current.
- 1857: Thomas Edison invented the first practical incandescent light bulb.
- 1867: Nikola Tesla invented the first AC electric motor.
- 1873: George Westinghouse invented the first AC power system.
- 1880: Thomas Edison invented the first practical incandescent light bulb.
- 1888: Nikola Tesla invented the first AC electric motor.
- 1890: George Westinghouse invented the first AC power system.
- 1900: Nikola Tesla invented the first AC electric motor.
- 1910: George Westinghouse invented the first AC power system.
- 1920: Nikola Tesla invented the first AC electric motor.
- 1930: George Westinghouse invented the first AC power system.
- 1940: Nikola Tesla invented the first AC electric motor.
- 1950: George Westinghouse invented the first AC power system.
- 1960: Nikola Tesla invented the first AC electric motor.
- 1970: George Westinghouse invented the first AC power system.
- 1980: Nikola Tesla invented the first AC electric motor.
- 1990: George Westinghouse invented the first AC power system.
- 2000: Nikola Tesla invented the first AC electric motor.
- 2010: George Westinghouse invented the first AC power system.
- 2020: Nikola Tesla invented the first AC electric motor.

Islamic Culture and Historical Events

Islamic Culture

Islamic culture is a diverse and rich heritage that has shaped the world. It encompasses a wide range of art, architecture, and literature. Islamic art is characterized by its intricate geometric patterns and calligraphy. Islamic architecture is known for its domes and minarets. Islamic literature includes the Quran, the Hadith, and various historical and philosophical works.

Historical Events

1. The Battle of Hattin (1187)

The Battle of Hattin was a decisive battle between the Christian forces of King Richard I of England and the Muslim forces of Saladin. The Christian forces were defeated, and Saladin captured Jerusalem in 1187.

2. The Crusades (1095-1291)

The Crusades were a series of religious wars between Christians and Muslims. They were fought over the control of the Holy Land, which is now part of Israel and Palestine. The Crusades had a significant impact on the history of the Middle East.

3. The Ottoman Empire (1299-1922)

The Ottoman Empire was a powerful Islamic empire that lasted for over six centuries. It was founded by Osman I in 1299 and reached its peak under Suleiman the Magnificent in the 16th century. The empire controlled a vast territory, including the Middle East, North Africa, and parts of Europe.

4. The Arab Spring (2011)

The Arab Spring was a series of protests and uprisings in the Arab world. It began in Tunisia in 2011 and spread to other countries, including Egypt, Libya, and Syria. The Arab Spring led to the overthrow of several authoritarian rulers and the establishment of new governments.

5. The Islamic Revolution (1979)

The Islamic Revolution was a major event in the history of Iran. It was led by Ayatollah Khomeini and resulted in the overthrow of the Shah of Iran and the establishment of an Islamic republic. The Islamic Revolution had a significant impact on the Middle East and the world.

Electric Motor Industry in Pakistan

The electric motor industry in Pakistan is a growing sector. It is driven by the increasing demand for electricity and the need for efficient and reliable power sources. The industry is supported by government policies and incentives. The electric motor industry in Pakistan is expected to continue to grow in the coming years.

AC Electric Motor

DC Electric Motor

Electric Motor Industry in Pakistan

The electric motor industry in Pakistan is a growing sector. It is driven by the increasing demand for electricity and the need for efficient and reliable power sources. The industry is supported by government policies and incentives. The electric motor industry in Pakistan is expected to continue to grow in the coming years.

Quiz

1. What is the capital of Pakistan? (Islamabad)

2. What is the largest city in Pakistan? (Karachi)

3. What is the official language of Pakistan? (Urdu)

4. What is the national flag of Pakistan? (Green and white with a white crescent and star)

5. What is the national animal of Pakistan? (Markhor)

6. What is the national bird of Pakistan? (Chukar partridge)

7. What is the national tree of Pakistan? (Eucalyptus)

8. What is the national flower of Pakistan? (Jasmine)

9. What is the national sport of Pakistan? (Cricket)

10. What is the national game of Pakistan? (Cricket)

MAF Encyclopedia

MAF Encyclopedia is a comprehensive reference work that covers a wide range of topics. It is written in a clear and concise style, making it easy to read and understand. MAF Encyclopedia is a valuable resource for students, teachers, and anyone interested in learning more about the world.

7

International Partnerships Around the World



7.1 London Book Fair

Association Academic Quality attended London Book Fair (LBF). AFAQ's all products and services were displayed at AFAQ's stand in LBF. The Chief Executive of AFAQ, Mr Abrar Ahmed, represented AFAQ in LBF. Following are some of the glimpses.



7.2 Frankfurt Book Fair

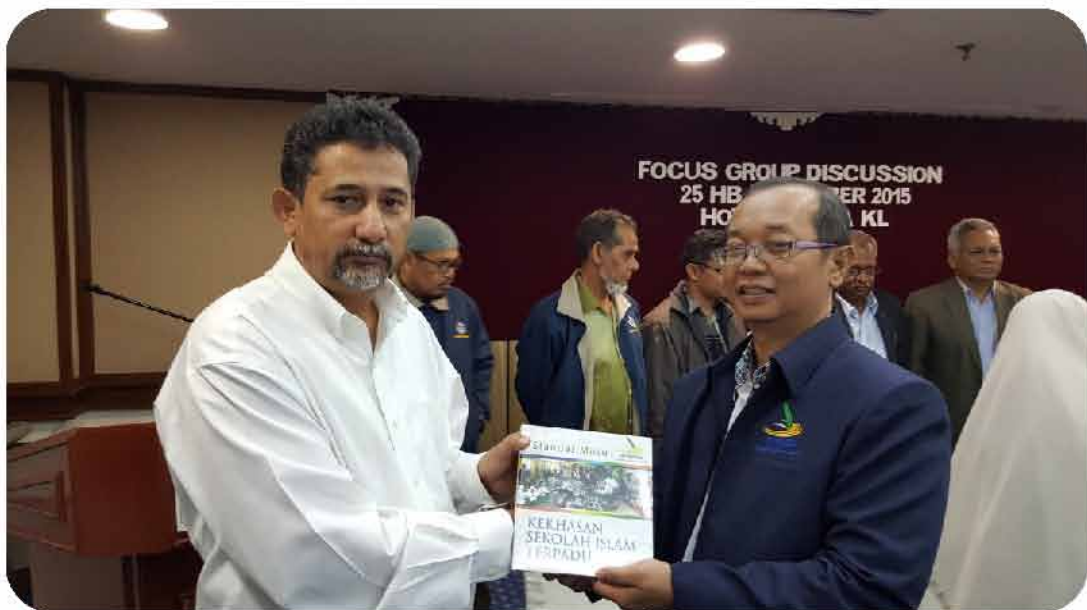
Association for Academic Quality (AFAQ) participated in Frankfurt Book Fair. AFAQ has been taking part in Frankfurt Book Fair since 2009. Following are some of the glimpses of this activity.



7.3 Focused Group Discussion Session, Malaysia

IKRAM-MUSLEH and Universiti Teknologi Malaysia (UTM) organized a focused group discussion (FGD) on student assessment criteria on Nov 25, 2015 at Hotel Putra, Kuala Lumpur. The purpose of this session was to gather feedback and comments on IQRA_ International Quality Range Assessment for Islamic Education. IQRA is unique because it develops tests which are not directly linked to the school curriculum. The tests are designed to assess to what extent students at the end of compulsory education have accomplished the desired educational outcomes in terms of applying their knowledge to real-life situations and are equipped for full participation in society.

Delegates from different parts of the world were invited to participate in it. From AFAQ, Mr Shahid Warsi, Executive Director, was invited to give his feedback on the research paper presented in the session.





Building a better
working world

ASSOCIATION FOR ACADEMIC QUALITY

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015

Ernst & Young Ford Rhodes Sdcat Hyder
Chartered Accountants
B6-B4, 4th Floor, Pace Mall Building
M. M. Riaz Road, Gulberg-1
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
eyfresh.hq@pk.ey.com
ey.com/pk

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Association for Academic Quality** as at **30 June 2015** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) In our opinion:
 - i) The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and further in accordance with accounting policies consistently applied;
 - ii) The expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the profit, cash flows and changes in equity for the year then ended; and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Other matter

The financial statements of the Company for the year ended 30 June 2014 were audited by another firm of chartered accountants whose report dated 05 October 2014 expressed an unqualified opinion.


Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 23 January 2016

ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

ASSETS	Note	2015 Rupees	2014 Rupees
Non current assets			
Property, plant and equipment	3	78,942,482	67,453,887
Long term deposits	4	5,112,900	7,936,831
		<u>84,055,382</u>	<u>75,390,718</u>
Current assets			
Stock in trade	5	117,858,468	84,427,141
Trade debts	6	41,649,287	59,955,187
Advances, prepayments and other receivables	7	43,124,110	31,780,862
Current portion of long term advances and deposits		3,587,000	-
Cash and bank balances	8	229,499,109	159,973,748
		<u>435,717,974</u>	<u>336,136,938</u>
Asset held for sale	9	2,700,000	-
		<u>438,417,974</u>	<u>336,136,938</u>
Current liabilities			
Creditors, accrued and other liabilities	10	46,494,000	33,396,142
Murabaha	11	-	4,000,000
Current portion of liabilities against assets subject to finance lease		-	208,748
		<u>46,494,000</u>	<u>37,604,890</u>
Net current assets		<u>391,923,974</u>	<u>298,532,048</u>
Non current liabilities			
Deferred liability - gratuity	12	11,879,918	16,890,155
Advances from employees against vehicles		1,904,015	1,292,394
		<u>13,783,933</u>	<u>20,182,549</u>
Net assets		<u>462,195,423</u>	<u>353,740,217</u>
Financed by:			
General Fund		22,845,926	22,845,926
Restricted Fund		-	2,992,500
Accumulated surplus		439,349,497	327,901,791
		<u>462,195,423</u>	<u>353,740,217</u>
CONTINGENCIES & COMMITMENTS	13	-	-

The annexed notes from 1 to 25 form an integral part of these financial statements


CHIEF EXECUTIVE OFFICER


DIRECTOR

ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
Income - net	14	767,322,523	632,540,850
Direct expenses	15	345,164,222	311,058,803
Gross surplus for the year		<u>422,158,301</u>	<u>321,482,047</u>
Operating expenses			
Administrative and general expenses	16	199,697,086	141,832,091
Marketing and distribution expenses	17	120,125,978	87,583,745
		<u>319,823,064</u>	<u>229,415,836</u>
Other operating expense	18	11,209,361	-
		<u>91,125,876</u>	<u>92,066,211</u>
Other income	19	23,721,661	11,200,157
Surplus from operations		<u>114,847,537</u>	<u>103,266,388</u>
Finance cost	20	3,399,831	1,883,541
Surplus for the year		<u>111,447,706</u>	<u>101,382,827</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>111,447,706</u>	<u>101,382,827</u>

The annexed notes from 1 to 25 form an integral part of these financial statements


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2015 Rupees	2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year		111,447,706	101,382,826
Adjustment of non cash items:			
Depreciation		8,996,812	7,461,418
Finance cost		3,399,831	1,883,541
Liabilities written back		(11,543,586)	-
Gain from disposal of property, plant and equipment		(970,112)	-
Provision for doubtful debts		9,546,674	541,734
Receivables / advances written off		11,209,361	-
Provision for gratuity		3,268,998	4,183,426
		135,355,684	115,452,945
Working capital changes			
(Increase) / decrease in current assets:			
Stock in trade		(33,431,327)	(38,693,039)
Trade debts		6,059,226	(27,086,703)
Current portion of long term advances and deposits		(11,343,240)	-
Advances, prepayments and other receivables		(14,796,361)	(13,701,768)
		(53,511,710)	(79,481,509)
Increase / (decrease) in current liabilities:			
Creditors, accrued and other liabilities		24,641,444	(2,488,037)
Net changes in working capital		(28,670,266)	(81,969,540)
Long term advances and deposits		611,621	(2,808,134)
Employee benefits paid		(10,279,235)	(251,607)
Finance cost paid		(3,399,831)	(1,883,541)
Net cash generated from operating activities		93,417,973	28,540,117
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property plant and equipment		(21,371,598)	(24,431,880)
Proceed against sale of property plant and equipment		1,856,303	-
Increase in long term deposits		2,823,931	-
Encashment of short term investments		-	63,697
Net cash (used in)/generated from investing activities		(16,891,364)	(24,368,184)
CASH FLOW FROM FINANCING ACTIVITIES			
Amount paid against asset subject to finance lease		(208,748)	(1,912,527)
Decrease in restricted funds		(2,892,500)	431,394
(Repayment) / proceed received from long term liabilities		(4,000,000)	4,000,000
Net cash generated from/ (used in) financing activities		(7,201,248)	2,518,867
Net increase in cash and cash equivalents		69,525,361	6,690,799
Cash and cash equivalents at the beginning of the year		159,973,748	153,282,950
Cash and cash equivalents at the end of the year		229,499,109	159,973,749

The annexed notes from 1 to 25 form an integral part of these financial statements

Asset amounting to Rs. 2.7 million acquired in satisfaction of debt has been excluded from above cash flow statement.

CHIEF EXECUTIVE OFFICER

DIRECTOR

ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)
 STATEMENT OF CHANGES IN FUNDS
 AS AT 30 JUNE 2015

	General fund	Surplus	Restricted fund	TOTAL
	------(Rupees)-----			
Balance as at 01 July 2013	22,845,926	226,518,964	-	249,364,890
Surplus for the year	-	101,382,827	2,992,500	104,375,327
Balance as at 30 June 2014	22,845,926	327,901,791	2,992,500	353,740,217
Surplus for the year		111,447,706	(2,992,500)	108,455,206
Balance as at 30 June 2015	22,845,926	439,349,497	-	462,195,423

The annexed notes from 1 to 25 form an integral part of these financial statements


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. THE COMPANY AND ITS OPERATIONS

The Association for Academic Quality (AFAQ) (herein after referred to as "the company") is a public company limited by guarantee and not having the share capital and is incorporated in Pakistan under the provisions of the Companies Ordinance, 1984 (herein after referred to as "the ordinance") on 6th February, 2006 while it carried on its operations with effect from 1st April, 2006. The company has obtained license under section 42 of the ordinance. The registered office of the company is located at 18-A, Johar Town, Lahore.

Its principal activities are promoting high quality education in Pakistan and printing of informative school text books in accordance with the rules and regulations of the "National curriculum" and to provide training to the teachers all over Pakistan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the guideline for accounting and financial reporting by Non-government Organizations & Non-profit organizations issued by Institute of Chartered Accountants of Pakistan requirements of the Companies Ordinance 1984 (the Ordinance) and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or the directives of the Companies Ordinance, 1984 shall prevail.

2.2 Significant accounting estimates and judgements

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

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.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory. However, assumptions and judgments made by 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 liabilities in the next year.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation on fixed assets is charged to income & expenditure account, applying the reducing balance method at the rates specified in note - 4 to the financial statements. Depreciation on addition is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed off.

Gains and losses on disposal of fixed assets are included in income currently.

32.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on disposal are determined by comparing sale proceeds with carrying amount and are included in income.

2.4 Stock in trade

Inventories are stated at lower of cost and net realizable value. Cost comprises direct materials, and where applicable direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using "Weighted Average" basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.5 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Financial instruments are initially recorded at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting date.

The gain or loss relating to financial instruments is recognized immediately in the income & expenditure account for the year.

The particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

2.5.1 Trade and other receivables

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

2.5.2 Foreign currency transaction

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of transaction and all other exchange differences are taken to income & expenditure account.

2.5.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash in hand, cash with banks on current and saving account.

2.5.5 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

2.5.6 Restricted Fund

Restricted funds is the amount set by the company to achieve the objective of Understanding Qur'aan. These funds cannot be utilized for any other purpose except for which it has been established.

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2.5.7 Operating lease / Ijarah

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Ijarah as per IFAS 2 is classified as operating lease irrespective of whether the significant risks and rewards are retained by lessor or not. Payments made under operating leases and Ijarah (net of any incentives received from the lessor) are charged to profit on a straight-line basis over the lease / Ijarah term unless another systematic basis is representative of the time pattern of the Company's benefit.

2.6 Employee benefits

The main features of the scheme operated by the Company for its employees are as follows:

The Company operates unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed the minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligations under the schemes on the basis of internal assessment of the management based on the assumptions that such benefits are payable to all employees at the end of financial year.

2.7 Assets subject to financial lease

Assets subject to finance lease are depreciated over their expected useful lives on the same basis as owned assets.

2.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discount and sales related taxes.

- Revenue from sale of books is recognized when actually dispatched to the customers and title has been passed.
- Revenue from training and consultancy income is recognized when the training or consultancy is delivered based on stage of completion when it is probable the economic benefit will flow to the company and amount of revenue can be measured reliably.
- Profit on Investment is recognized on accrual basis.
- Other miscellaneous revenues and donation are recognized as and when realized or received.

2.10 Taxation

No provision for taxation is charged to the accounts during the year as the company is exempt from tax under section 2(36) and 58(3) of the part I of the 2nd schedule to the Income Tax Ordinance, 2001.

2.11 Provisions

Provisions are recognized when the company has a present obligation as a result of past event and it is probable that the Company will be required to settle the obligations. Provisions are measured at the managements' best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to the present value where the effect is material.

2.12 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on commercial terms and conditions.

2.22 Asset held for sale

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the statement of financial position. Assets are not depreciated once classified as held for sale or as held for distribution.

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ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)

3. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	C O S T			RATE %	D E P R E C I A T I O N				WRITTEN DOWN VALUE AS AT 30 JUNE 2015	
	As at 01 July 2014	Additions during the year	Deletion		AS AT 30 June 2015	As at 01 July 2014	Charge for the year	Adjustment		AS AT 30 June 2015
	Rupees									
Owned:										
Freehold land	15,613,000	-	-	15,613,000		-	-	-	15,613,000	
Machinery	104,231	-	-	104,231	10	33,946	7,029	40,975	63,256	
Furniture and fixtures	23,250,911	8,895,241	-	32,146,152	10	4,677,574	2,114,745	6,792,319	25,353,833	
Vehicles	16,198,684	1,827,298	2,516,000	15,209,982	20	9,663,293	956,444	1,929,809	6,490,054	
Office equipment	5,321,119	294,703	-	5,615,822	10	1,961,831	338,385	2,300,216	3,315,606	
Computer and network	21,100,426	6,964,937	-	28,065,363	25	9,250,774	3,137,703	12,388,477	15,676,886	
Electric appliances	16,405,421	3,828,119	-	20,233,540	20	5,642,195	2,352,304	8,004,499	12,229,041	
Library books	815,334	-	-	815,334	20	364,326	50,202	414,528	200,806	
	<u>98,609,125</u>	<u>21,810,298</u>	<u>2,516,000</u>	<u>117,603,424</u>		<u>31,593,939</u>	<u>8,996,812</u>	<u>1,929,809</u>	<u>38,660,942</u>	
Leased:										
Vehicles	<u>776,000</u>		<u>(776,000)</u>		20	<u>337,303</u>		<u>(337,303)</u>		
	<u>98,385,125</u>	<u>21,810,298</u>	<u>2,040,000</u>	<u>117,603,424</u>		<u>31,931,242</u>	<u>8,996,812</u>	<u>1,592,506</u>	<u>38,660,942</u>	
Owned	70,861,246	27,927,880	-	98,609,126		23,170,088	6,907,361	1,516,487	31,593,936	
Lease	4,272,000	-	-	4,272,000		1,299,733	554,057	(1,516,487)	337,303	
	<u>74,953,246</u>	<u>27,927,880</u>		<u>102,881,126</u>		<u>24,469,821</u>	<u>7,461,418</u>		<u>31,931,239</u>	

3.1 Included in additions to owned vehicles is transfer from leased vehicles amounting to Rs. 776,000 (2014, Rs. NIL)

3.2 Depreciation charged for the year has been allocated as under:

	2015	2014
	Rupees	Rupees
Administrative and general expenses	5,253,166	4,476,651
Marketing and distribution expenses	3,733,646	2,984,567
	<u>8,986,812</u>	<u>7,461,418</u>

ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)

4. LONG TERM ADVANCES AND DEPOSITS	Notes	2015 Rupees	2014 Rupees
Security deposits		9,011,900	7,936,831
Less : current portion		<u>3,899,000</u>	<u>7,936,831</u>
		<u>5,112,900</u>	<u>7,936,831</u>
4.1 These security deposits include refundable deposits given against the rented buildings under operating lease agreements.			
5. STOCK IN TRADE			
Raw material		3,326,410	3,683,342
Work in process		1,777,394	4,798,752
Finished goods		<u>112,754,664</u>	<u>75,945,047</u>
		<u>117,858,468</u>	<u>84,427,141</u>
6. TRADE DEBTS			
		42,499,272	61,178,762
Less: Provision for bad debts	6.1	<u>(849,985)</u>	<u>(1,223,575)</u>
		<u>41,649,287</u>	<u>59,955,187</u>
6.1 This represents receivables from different dealers and zonal regions in respect of books sold to them. All these receivables are secured against post dated cheques and considered good. However, general provision at the rate of 2% is made annually.			
7. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Considered good:			
Advance to employees against expenses		13,088,695	8,244,234
Advances to employees against salary		3,404,258	2,631,530
Advances to employees against bike		2,000,623	613,103
Advances to employees against laptop		230,050	-
Advances to suppliers		72,253	11,242,977
Prepaid rent		-	110,582
Encyclopedia receivable		-	264,120
Accrued profit on bank accounts		529,645	1,221,372
Tax refundable		9,035,740	1,346,468
Other receivables		<u>11,002,048</u>	<u>3,472,500</u>
		39,363,312	29,146,886
Considered doubtful:			
Other receivables	7.1	13,681,062	2,633,976
Less: Provision for bad debts		<u>(9,920,264)</u>	<u>-</u>
		<u>43,124,110</u>	<u>31,780,862</u>
7.1 This figure includes of Rs. 2,388,515 forfeited by Federal Board of Revenue in March 2011. The company has filed an appeal before Appellate Tribunal Inland Revenue, Lahore in this regards.			

ASSOCIATION FOR ACADEMIC QUALITY (AFAQ)

8. CASH AND BANK BALANCES	Note	2015 Rupees	2014 Rupees
Cash in hand		202,034	135,806
Balance with banks:			
Current account		116,177,309	50,676,939
Saving account	8.1	13,119,766	109,161,003
Deposit account	8.2	100,000,000	-
		<u>229,499,109</u>	<u>159,973,748</u>

8.1 These carry interest rate ranging from 6% to 8% (2014: 9% to 9.5%) per annum.

8.2 This is a deposit with the bank for three months and carry an average interest rate of 6% per annum.

9. ASSET HELD FOR SALE

This land was acquired in settlement of debt from a dealer. The management has decided to dispose off the said land within a year from the date of purchase.

10. CREDITORS, ACCRUED AND OTHER LIABILITIES

Accounts payables		43,126,318	25,805,640
Advances from customers		-	3,939,835
Encyclopedia advance subscription		1,444,147	757,200
Audit fee payable		450,000	250,000
Tax deducted at source		1,473,535	2,643,467
		<u>46,494,000</u>	<u>33,396,142</u>

11. MURABAHA

The Company has availed a short term Murabaha finance facility from Bank Al-Falah Limited of amounting to Rs. 25 million (2014: Rs.15 million). The facility is secured against personal property of the Chief Executive of the Company, first pari passu charge on current assets of the company of Rs. 20 Million and also the personal guarantees of Directors of the Company. It carries mark-up rate of 6 month KIBOR+2.5% with Floor 10.50% & CAP: 20% (2014: 6 month KIBOR+2.5% with Floor 10.5% & CAP 20%). This facility is utilised for the purchase of paper.

12. DEFERRED LIABILITY - GRATUITY

Balance at the beginning of the year		18,890,155	14,958,336
Charge for the year	12.1	3,268,998	4,183,426
Benefits paid during the year		(10,279,235)	(251,607)
		<u>11,879,918</u>	<u>18,890,155</u>

12.1 Provision for gratuity has been made in accordance with internal assessment by the management at the rate of one salary per annum based on the assumptions that employee benefits are payable to all employees at the year end.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are no contingencies during the year (2014: Rs. Nil).

2015

2014

13.2 Commitments

The aggregate amount of rental payments for operating lease agreement and the period in which payments will become due are as follows:

	Note	2015 Rupees	2014 Rupees
Not later than six months		23,762,688	29,277,628
Later than six month but not later than one years		20,721,481	25,844,033
Later than one year but not later than two years		31,496,871	44,484,187
Later than one year but not later than five years		18,241,905	49,738,776

14. INCOME - net

Sale of books:			
Locally produced		612,729,188	555,606,453
Imported		148,185,007	87,240,529
Sales - net	14.1	760,914,195	642,846,982
Encyclopedia income		4,387,895	4,859,082
Income from workshops, trainings, meetings and seminars	14.2	2,020,433	(15,165,214)
		<u>767,322,523</u>	<u>632,540,850</u>

14.1 Sales - net

Gross sales		1,278,566,665	1,056,215,303
Less:			
Discount allowed		476,915,503	392,370,144
Books returned during the year		40,736,967	20,998,177
		<u>517,652,470</u>	<u>413,368,321</u>
		<u>760,914,195</u>	<u>642,846,982</u>

14.2 Income from workshops, trainings, meetings and seminars

Contribution by participants		56,666,423	15,295,191
Less: workshop, training, meetings and seminars expenses		(54,645,990)	(30,460,405)
		<u>2,020,433</u>	<u>(15,165,214)</u>

15. DIRECT EXPENSES

Raw material consumed		87,385,802	118,260,627
Printing cost Local	15.2	51,032,662	73,212,573
Production cost - others		2,151,547	2,311,106
Encyclopedia printing		8,887,531	3,980,990
Salaries, wages and benefits		39,034,299	25,458,971
Carriage inwards		623,139	1,030,743
Outsourcing research cost		16,386,520	10,710,116
Packing expenses		1,669,897	842,052
Plates		3,266,657	902,870
Profit on investment		10,319,702	7,765,120
Insurance of stock		340,307	-
		<u>219,098,063</u>	<u>244,475,198</u>
Opening work in process		4,798,750	442,292
Closing work in process		(1,777,394)	(4,798,752)
		3,021,356	(4,356,460)
Cost of goods manufactured		222,119,419	240,118,738
Opening finished goods		75,945,047	39,787,386
Closing finished goods		(112,754,664)	(75,945,047)
		<u>(36,809,617)</u>	<u>(36,157,659)</u>
Cost of sales - manufactured books		185,309,802	203,961,079
Cost of sales - imported books		159,854,420	107,097,724
		<u>345,164,222</u>	<u>311,058,803</u>

	2015	2014
15.1 Raw material consumed		
Opening stock	3,683,342	5,503,511
Add : Purchases during the year	87,028,870	116,440,458
	<u>90,712,212</u>	<u>121,943,969</u>
Closing stock	(3,326,410)	(3,683,342)
	<u>87,385,802</u>	<u>118,260,627</u>

15.2 Production cost includes expenses relating to printing of local books:

16. ADMINISTRATIVE AND GENERAL EXPENSES	Note	2015 Rupees	2014 Rupees
Salaries, wages and benefits		97,585,751	63,647,428
Mobile training expenses (Van)		6,619,810	5,317,926
Utility charges		7,359,162	5,380,488
Office supplies		1,158,989	1,539,914
Computer expenses		1,366,677	2,235,474
Travelling and conveyance		14,134,269	11,351,156
Entertainment expenses		8,518,301	5,900,173
Printing, stationery and photocopies		3,960,432	6,234,079
Postage and courier		3,043,635	2,257,347
Newspaper and periodicals		158,911	100,720
Legal and professional charges		20,300	143,600
Auditor's remuneration		450,000	250,000
Rent, rates and taxes		19,115,827	12,848,352
Repairs and maintenance		5,719,688	7,693,787
Communication charges		3,407,692	2,368,975
Miscellaneous expenses		8,998,807	5,360,882
Provision for bad debts		9,546,674	541,734
Provision for gratuity		3,268,998	4,183,426
Depreciation	3.2	5,263,166	4,476,851
		<u>199,697,086</u>	<u>141,832,091</u>

17. MARKETING AND DISTRIBUTION EXPENSES

Salaries, wages & other benefits		58,551,450	38,188,457
Utility charges		3,153,928	2,305,923
Office supplies		498,709	659,963
Computer expenses		585,719	958,060
Communication charges		1,460,439	1,015,275
Postage and courier		1,304,415	967,434
Travelling and conveyance		6,057,542	4,864,781
Entertainment expenses		3,650,701	2,528,545
Printing, stationery and photocopies		1,697,327	2,671,748
Newspaper and periodicals		68,105	43,166
Advertisement and promotional expense		14,988,595	10,897,984
Rent, rates and taxes		8,192,497	5,506,437
Vehicle running and maintenance		9,876,950	8,396,540
General repairs and maintenance		2,451,294	3,297,337
Miscellaneous expenses		3,856,631	2,297,426
Depreciation	3.2	3,733,646	2,984,567
		<u>120,125,978</u>	<u>87,583,745</u>

		2015	2014
18. OTHER OPERATING EXPENSE			
This represents receivable / advances written off during the year.			
19. OTHER INCOME	Note	2015 Rupees	2014 Rupees
Income from financial assets			
Profit on investment		7,100,001	9,776,455
Income from non-financial assets			
Profit on disposal property, plant and equipment		970,112	-
Liabilities written back		11,543,586	-
Recovery of funds		1,335,000	
Miscellaneous		2,772,962	1,423,702
		<u>23,721,661</u>	<u>11,200,157</u>
20. FINANCE COST			
Morabaha financial charges		1,820,761	825,462
Ijara		1,510,898	732,223
Bank charges		68,172	325,856
		<u>3,399,831</u>	<u>1,883,541</u>

21. FINANCIAL MANAGEMENT

The Company finances its operations through management of its working capital with a view to obtain maximum output without using the external sources of finance which minimizes the dependence on external parties.

The Company has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk Management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

21.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of a company's performance to developments affecting a particular industry. The Company manages its credit risk by the following methods:

- Monitoring of receivables on continuous basis.
- Application of deadlines for repayment.

Exposure to credit risk

The carrying values of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Long term advances and deposits	5,112,900	8,549,934
Advances, prepayments and other receivables	43,124,110	31,167,759
	<u>39,717,693</u>	<u>18,006,271</u>

30.

2015

2014

21.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Company believes that it is not exposed to any significant level of liquidity risk.

The following are the contractual maturities of financial liabilities as on June 30, 2015.

Creditors, accrued and other liabilities	<u>46,494,000</u>	<u>33,396,142</u>
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21.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

21.4 Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currency. Foreign currency risk arises mainly where payable/receivable exist due to transactions with foreign clients. However the company is not exposed to any significant currency risk during the year. Therefore, no sensitivity analysis is performed.

21.5 Interest rate risk

Interest rate risk is the risk of decline in earnings due to adverse movement of the interest rate curve. Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. Company's exposure to interest rate risk is Nil.

21.6 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	2015 Nos.	2014 Nos.
22. NUMBER OF EMPLOYEES AT THE YEAR END		
Permanent	286	209
Contractual	225	201
Total number of employees	<u>410</u>	<u>289</u>

23. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by Board of Directors of the Company on

23 JAN 2016

24. GENERAL

24.1 Figures have been rounded off to the nearest rupee.

24.2 Corresponding figures have been re-arranged, where ever necessary for the purpose of comparison; however no significant rearrangements / reclassifications have been made in these financial statements except for the following for better presentation:

	From Rupees	To Rupees
Long term advances and deposits	613,103	
Advances, prepayments and other receivables		613,103
Administrative and general expenses	(15,165,214)	
Income - net		(15,165,214)

CHIEF EXECUTIVE OFFICER

DIRECTOR