

PAK AID WELFARE TRUST

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

SOHAIL AHMED & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the accompanying Financial Statements of **Pak Aid Welfare Trust** (the 'Trust'), which comprise of the statement of financial position as at June 30, 2017, and the statement of comprehensive income / income and expenditure account, the statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustee's Responsibility for the Financial Statements

The Board of Trustees of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the Approved accounting standards as applicable in Pakistan, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 auditor considers 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 Board of Governors, 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trust as at June 30, 2017 and its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.


SOHAIL AHMED & CO.
CHARTERED ACCOUNTANTS
KARACHI: March 05, 2018



PAK AID WELFARE TRUST
Statement of Financial Position
As at June 30, 2017

	Note	2017 Rupees
ASSETS		
Non Current Assets		
Property , plant and equipment	4	43,579
Current Assets		
Advances, unsecured, considered good		243,022
Deposits and other receivables	5	378,000
Cash and bank balances	6	2,659,278
		3,280,300
Total Assets		3,323,879
FUNDS AND LIABILITIES		
General Fund		
General Funds		3,120,979
Current Liabilities		
Accrued and other payables	7	202,900
Total Funds and liabilities		3,323,879

The annexed notes form 1 to 12 an integral part of these financial statements.



 Chairman



 Finance Secretary



PAK AID WELFARE TRUST
Statement of Income and Expenditure
For the Period ended June 30, 2017

	Note	For 2 month period from May to June 30, 2017 Rupees
INCOME		
Donations		4,128,276
Zakat		1,284,430
Miscellaneous income		<u>52,000</u>
		5,464,706
EXPENDITURE		
<i>Direct welfare expenses</i>		
Rehabilitation and ad-hoc relief project		1,589,221
Salaries wages and benefits,		<u>130,470</u>
		1,719,691
<i>General and administrative expenses</i>	8	<u>624,036</u>
		<u>2,343,727</u>
Total Expenditure		<u>2,343,727</u>
Surplus / (Deficit) for the Year		<u>3,120,979</u>
Other comprehensive income		-
Total comprehensive surplus / (deficit) for the year		<u><u>3,120,979</u></u>

The annexed notes form 1 to 12 an integral part of these financial statements.



Chairman



Finance Secretary



PAK AID WELFARE TRUST
Statement of Change in Funds
For the Period ended June 30, 2017

	General Funds
	Rupees
Balances as at May 10, 2017	-
Surplus for 2 months period ended June 30, 2017	3,120,979
Balance as at June 30, 2017	<u><u>3,120,979</u></u>

The annexed notes form 1 to 12 an integral part of these financial statements.



Chairman



Finance Secretary



PAK AID WELFARE TRUST
Cash Flow Statements
For the Period ended June 30, 2017

For 2 month
period from
May to June 30,
2017

Note

Rupees

CASH FLOWS FROM OPERATING ACTIVITIES

Surplus / Deficit for the year	3,120,979
Adjustments for :	
Depreciation	1,671
	<u>3,122,650</u>
Working capital changes:	
(Increase) / decrease in current assets	-
Advances, unsecured, considered good	(243,022)
Deposits and other receivables	(378,000)
	<u>202,900</u>
(Decrease) / Increase in accrued liabilities	(418,122)
	<u>2,704,528</u>
Net cash (used in) / generated from operating activities	2,704,528
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(45,250)
	<u>(45,250)</u>
Net cash used in investing activities	(45,250)
CASH FLOWS FROM FINANCING ACTIVITIES	-
	<u>2,659,278</u>
(Decrease) / Increase in cash and cash equivalents	2,659,278
Cash and cash equivalents at the beginning of the year	-
	<u>2,659,278</u>
Cash and cash equivalents at the end of the year	2,659,278

The annexed notes form 1 to 12 an integral part of these financial statements.

Chairman

Finance Secretary



PAK AID WELFARE TRUST
Notes to the Financial Statements
For the year ended 30 June 2017

1. LEGAL STATUS AND OPERATIONS

Pak Aid Welfare Trust (the "Trust") was registered on 3rd May 2017 under the Registration of Trust Act, 1882 and started functioning from May 10, 2017. The registered office of the Trust is situated at Office 4, 2nd Floor, MB City Mall Plaza, I - 8 Markaz, Islamabad, Pakistan.

The main activity of the Trust is to establish, run, support and grant aid or other financial assistance to educational institutions including madrasah, darululoom and research institutions. To provide the scholarship and render other kind of aid to needy students without any distinction as to caste, color, race, creed or sex.

To establish, maintain or grant aid for the establishment and /or maintenance of research institutes, old age houses, parks and also grant and assistance to the needy victims during natural calamities such as earth quake, flood, fire, famine, etc.

To secure, receive, accept and manage funds, donations and any other properties to utilize them for the aim of Trust.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These accounts have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting Standard for Small Sized Entities (SMEs) for Non Profitable Organization (NPOs), issued by Institute of Chartered Accountant of Pakistan (ICAP), Accounting Financial Reporting Standard for Small Sized Entities (AFRS for SSEs) as are notified by Securities and Exchange Commission of Pakistan (SECP).

2.2 Accounting convention and basis

These financial statements have been prepared under the historical cost convention except otherwise stated in these financial statements. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is also the functional currency of the Company.

2.4 Use of estimates and judgment

The preparation of financial statements is in conformity with Accounting & Financial Reporting Framework for Small-Sized Entities which requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Trust's accounting policies.

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 judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.



The areas involving higher degree of judgment or complexity are as follows:

- i) Useful life and residual value assessment of operating fixed assets
- iii) Allowance for impairment.
- iv) Classification of investments.
- v) Provision against trade debts

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Property, plant and equipment

These are initially recognized at cost except assets received as donation in kind recognized at fair market value. Subsequently the cost of operating assets are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note 3 of the accounts. Full month's depreciation is charged from the month in which asset is purchased while no depreciation is charged from the month in which the asset is disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewal and improvements are capitalized and assets so replaced, if any, are retired. Gains and losses on disposal of fixed assets are recognized in income currently.

3.2 Impairment

The Trust assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists the Trust makes an estimate of the assets' recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

3.3 Advances, deposit and prepayments

These are recognized and stated at cost less provision for doubtful balances, if any.

3.4 Cash and bank balances

Cash in hand and at banks are carried at cost. For the purposes of cash flow statement, cash and cash equivalent consists of cash in hand and balances with bank net of borrowing not considered to be in nature of financing activities.

3.5 Revenue recognition

Income is recognized to the extent it is probable that the economic benefits will flow to the Trust and the income can be measured reliably. Income is measured at fair value of the consideration received and is recognised on the following basis:

- Donations in cash are recognized as and when received.
- Donation in kind are recognized when the title, possession and control is transferred to the Trust. These are recorded at estimated value on the basis of prevailing market prices.
- Other income are recognised on receipts basis.



3.6 Provisions

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

3.7 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Trust becomes party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Trust loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on recognition/de-recognition of the financial liabilities is taken to income and expenditure account currently.

3.8 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has legally enforceable right to set off the recognized amount and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.9 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.10 Related party transactions

Transactions with related parties is based at arm's length using normal commercial rates on the same terms and conditions as third party transactions.

4 PROPERTY, PLANT AND EQUIPMENT

Operating Fixed Assets

Description	COST			Rate	DEPRECIATION			W.D.V
	As at July 01, 2016	Additions/(Disposals)	As at June 30, 2017		As at July 01, 2016	For the year	As at June 30, 2017	As at June 30, 2017
	-----Rupees-----				-----Rupees-----			
Electrical Equipment	-	25,250	25,250	20%	-	671	671	24,579
Computer & Accessories	-	20,000	20,000	30%	-	1,000	1,000	19,000
2017	-	45,250	45,250		-	1,671	1,671	43,579

2017
Rupees

5 DEPOSITS AND OTHER RECEIVABLES

Security deposits	331,000
Other receivables	47,000
	<u>378,000</u>



	Note	2017 Rupees
6 CASH AND BANK BALANCES		
With banks in:		
- current accounts		1,535,500
Cash in hand		1,123,778
		<u>2,659,278</u>
7 ACCRUED & OTHER PAYABLES		
Audit fee		20,000
Accrued expenses		182,900
		<u>202,900</u>
8 GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries and benefits		235,400
Legal and professional charges		75,700
Rent expense		104,500
Repairs and maintenance		14,140
Printing, stationery and advertisement		38,899
Petrol, diesel, CNG, oil and lubes		36,522
Travelling and conveyance		24,300
Postage and cargo		7,401
Utilities and communication		60,610
Food and entertainment expenses		20,430
Miscellaneous expense		3,780
Bank charges		683
Depreciation		1,671
		<u>624,036</u>
9 TAXATION		
The Trust is working as non profit organization (NPO) and the management is in process to grant approval as a Non-Profit Organisation (NPO) under section 2(36) of Income Tax Ordinance, 2001 from tax authorities. Provision for taxation has not been made as the management is very positive and assured that they will be able to obtain income tax exemption from tax authorities.		
10 NUMBER OF EMPLOYEES		
Number of employees as at June 30		<u>11</u>
11 GENERAL		
Figures have been rounded off to nearest Rupee.		
12 DATE OF AUTHORIZATION		
These financial statements have been authorized for issue by the Board of Trustee of the Trust on <u>03 MAR 2018</u>		

Chairman

Finance Secretary

