

**AUDITED FINANCIAL STATEMENTS OF
PAK AID WELFARE TRUST
FOR THE YEAR ENDED 30 JUNE 2020**



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PAK AID WELFARE TRUST

Opinion

We have audited the annexed financial statements of **Pak Aid Welfare Trust**, (the Trust) which comprises the Statement of Financial Position as at June 30, 2020, and the Statement of Income and Expenditure, Statement of Changes in Funds, Statement of Cash Flows and Notes to the Financial Statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Financial Position as at June 30, 2020, and the Statement of Income and Expenditure, Statement of Changes in Funds and Statement of Cash Flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustees for the Financial Statements

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

In preparing the financial statements, Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Board of Trustees are responsible for overseeing the Trust's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Masood Pervaiz-FCA

Place: Islamabad.

Date: 11 2 NOV 2020



Iftikhar Masood & Co.
Iftikhar Masood & Co.,
Chartered Accountants

PAK AID WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
Assets			
Non current assets			
Property, plant and equipment	4	251,338	311,037
Intangible assets	5	71,680	89,600
		<u>323,018</u>	<u>400,637</u>
Current assets			
Advance deposits & other receivables	6	1,438,059	405,111
Cash and bank balances	7	3,392,196	1,212,831
		<u>4,830,255</u>	<u>1,617,942</u>
Total Assets		<u>5,153,273</u>	<u>2,018,579</u>
Funds & Liabilities			
General Funds			
General funds		4,617,038	1,526,451
Current liabilities			
Accrued and other payables	8	536,235	492,128
Total Funds & Liabilities		<u>5,153,273</u>	<u>2,018,579</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



CHAIRMAN




FINANCE SECRETARY

**PAK AID WELFARE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 (Rupees)	2019 (Rupees)
Income	9	18,055,075	9,244,887
Expenditure			
Direct welfare expense	10	(12,561,557)	(10,632,310)
General & administration expense	11	(2,402,931)	(2,212,108)
Gross surplus/(deficit) for the year		<u>3,090,587</u>	<u>(3,599,531)</u>
Taxation	3.11	-	-
Net surplus/(deficit) for the year		3,090,587	(3,599,531)
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		<u><u>3,090,587</u></u>	<u><u>(3,599,531)</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.


CHAIRMAN




FINANCE SECRETARY

**PAK AID WELFARE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 (Rupees)	2019 (Rupees)
Cash Flows from Operating Activities			
Surplus for the year		3,090,587	(3,599,531)
Adjustments			
Depreciation		65,303	50,055
Amortization		17,920	22,400
		3,173,810	(3,527,076)
Working capital changes:			
Increase in advances, deposits and other receivables		(1,032,948)	67,517
(Decrease) / Increase in accrued liabilities		44,107	256,237
		(988,841)	323,754
Taxes paid		-	-
Net cash (used in) / generated from operating activities		2,184,969	(3,203,322)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(5,604)	(176,877)
Intangible Assets		-	-
Net cash used in investing activities		(5,604)	(176,877)
Cash Flows from Financing Activities			
		-	-
(Decrease) / Increase in cash and cash equivalents		2,179,365	(3,380,199)
Cash and cash equivalents at the beginning of the year		1,212,831	4,593,030
Cash and cash equivalents at the end of the year		3,392,196	1,212,831

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHAIRMAN



FINANCE SECRETARY

**PAK AID WELFARE TRUST
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Funds	Total
	(Rupees)	(Rupees)
Balance as at July 01, 2018	5,125,982	5,125,982
Deficit for the year ended June 30, 2019	(3,599,531)	(3,599,531)
Balance as at June 30, 2019	1,526,451	1,526,451
Surplus for the year ended June 30, 2020	3,090,587	3,090,587
Balance as at June 30, 2020	4,617,038	4,617,038

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHAIRMAN



FINANCE SECRETARY

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 THE TRUST AND ITS OPERATIONS

- 1.1** Pak Aid Welfare Trust (the "Trust") was registered on 3rd May 2017 under the Registration of Trust Act, 1882 and started its operation 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.
- 1.2** The aim and objective of the Trust is to run, support and grant aid or other financial assistance to educational institutions, hospitals, dispensaries, vocational centers, madrasah and such other similar charitable organizations, Trust also establish water projects and distribute Rashan packages in remote areas of all over the country for the benefit and use of general public without any distinction as to caste, colour, race or creed.

To secure, receive, accept and manage funds, donations and any other assets 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 the approved accounting standards, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting Standards for Non Profitable Organizations (NPOs), issued by the Institute of Chartered Accountant of Pakistan (ICAP).

2.2 Basis of measurement and accounting convention

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

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.

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 4 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 Intangible assets

Costs that are directly associated with identifiable software products purchased and have probable economic benefits beyond one year are recognized as intangible assets. Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged at reducing balance method at rate of 20% per annum.

3.3 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.

3.4 Advances, deposit and prepayments

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

3.5 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.

3.6 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 recognized 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 recognized on receipts basis.

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

3.7 Provisions

A provision is recognized 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.

3.8 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.

3.9 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.

3.10 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.

3.11 Taxation

The Trust is an approved non-profit organization under section 2(36) of Income Tax ordinance, 2001. The Trust has complied with all the applicable conditions and is eligible for 100% tax credit under section 100c (Tax credit for certain persons) of the Income Tax Ordinance, 2001. Therefore, no provision for current and deferred taxation has been recorded.

PAK AID WELFARE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

4 PROPERTY, PLANT AND EQUIPMENT

Amount in Rupees

For Financial Year 2020

PARTICULARS	COST		RATE	ACCUMULATED DEPRECIATION		Net Book Value as at June 30, 2020
	Balance as at July 01, 2019	Additions / (Deletions)		Balance as at June 30, 2020	Depreciation charge for the year	
Electrical equipment	81,815	5,604	20%	21,003	24,562	41,854
Computers and accessories	125,790	-	30%	47,209	23,576	55,005
Furniture and fixtures	190,901	-	10%	19,257	17,165	154,479
Total	398,506	5,604		87,469	65,303	251,338

49,803

For Financial Year 2019

PARTICULARS	COST		RATE	ACCUMULATED DEPRECIATION		Net Book Value as at June 30, 2019
	Balance as at July 01, 2018	Additions / (Deletions)		Balance as at June 30, 2019	Depreciation charge for the year	
Electrical equipment	51,630	30,185	20%	8,914	12,089	60,812
Computers and accessories	85,500	40,290	30%	22,163	25,046	78,581
Furniture and fixtures	84,500	106,401	10%	6,337	12,920	171,644
Total	221,630	176,876		37,414	50,055	311,037

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

5 INTANGIBLE ASSETS

For Financial Year 2020

PARTICULARS	COST		RATE	ACCUMULATED AMORTIZATION		Net Book Value as at June 30, 2020
	Balance as at July 01, 2019	Additions / (Deletions)		Balance as at June 30, 2020	Balance as at July 01, 2019	
Accounting software	125,000	-	20%	45,000	16,000	64,000
Website	15,000	-	20%	5,400	1,920	7,680
Total	140,000	-		50,400	17,920	71,680

For Financial Year 2019

PARTICULARS	COST		RATE	ACCUMULATED AMORTIZATION		Net Book Value as at June 30, 2019
	Balance as at July 01, 2018	Additions / (Deletions)		Balance as at June 30, 2019	Balance as at July 01, 2018	
Accounting software	125,000	-	20%	25,000	20,000	45,000
Website	15,000	-	20%	3,000	2,400	5,400
Total	140,000	-		28,000	22,400	50,400

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

6 ADVANCE DEPOSITS & OTHER RECEIVABLES

		2020	2019
		(Rupees)	(Rupees)
Advance to staff for projects	6.1	1,262,409	48,783
Security deposits	6.2	175,650	285,000
Advance income tax		-	71,328
		<u>1,438,059</u>	<u>405,111</u>

6.1 This represents advances given to staff for procurements and projects implementation.

6.2 This represents security deposit for rental office premises.

7 CASH & BANK BALANCES

		2020	2019
		(Rupees)	(Rupees)
Cash in hand		260,064	29,570
Cash at bank	7.1	3,132,132	1,183,261
		<u>3,392,196</u>	<u>1,212,831</u>

7.1 This represents deposits kept in current accounts and carries no markup.

8 ACCRUED AND OTHER PAYABLES

		2020	2019
		(Rupees)	(Rupees)
Audit fee		40,000	35,000
Accrued expense		496,235	457,128
		<u>536,235</u>	<u>492,128</u>

9 INCOME

		2020	2019
		(Rupees)	(Rupees)
Donations		11,350,018	6,887,479
Zakat		6,704,938	2,357,100
Miscellaneous income		119	308
		<u>18,055,075</u>	<u>9,244,887</u>

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

10 DIRECT WELFARE EXPENSE	2020	2019
	(Rupees)	(Rupees)
Rehabilitation and ad-hoc relief project	8,035,109	6,495,038
Salaries wages and benefits,	2,749,022	2,816,925
Office rent	619,800	943,690
Vehicle running & maintenance expenses	52,001	36,650
Project promotional cost	1,105,625	340,007
	12,561,557	10,632,310

11 GENERAL & ADMINISTRATIVE EXPENSES	2020	2019
	(Rupees)	(Rupees)
Salaries and benefits	949,213	898,746
Legal and professional charges	60,000	132,346
Audit fee	40,000	35,000
Rent expense	566,487	540,000
Repairs and maintenance	30,830	61,737
Printing, stationary and advertisement	4,625	22,375
Vehicles running expenses	-	720
Travelling and conveyance	6,090	3,460
Postage and cargo	119,421	44,167
Utilities expenses	198,971	181,056
Communication expenses	133,560	167,663
Food and entertainment expenses	25,862	25,137
Miscellaneous expense	13,310	13,537
Bank charges	104,805	13,709
Rate and taxes	72,138	-
Amortization expenses	17,920	22,400
Depreciation	49,803	50,055
Loss on disposal	9,896	-
	2,402,931	2,212,108

12 NUMBER OF EMPLOYEES	2020	2019
Number of employees at balance sheet date	15	16

13 NUMBER OF OFFICES	2020	2019
At July 01, 2019		4
New Opened during the year		0
Closed during the year		-2
At June 30, 2020		2

**PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

14 CONTINGENCIES

There are no material contingencies as at reporting date.

15 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Trustee of the Trust on 19 2 NOV 2020.



CHAIRMAN



FINANCE SECRETARY