

**AUDITED FINANCIAL STATEMENTS OF
PAK AID WELFARE TRUST
FOR THE YEAR ENDED 30 JUNE 2019**



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, 2019, 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, 2019, 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.

Other Information

The financial statements of Pak Aid Welfare Trust for the year ended June 30, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on March 03, 2019.

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.

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 Iftikhar A. Chaudhry
FCA

Place: Islamabad.

Date: 12.8 OCT 2013



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

PAK AID WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 (Rupees)	2018 (Rupees)
Assets			
Non current assets			
Property, plant and equipment	4	311,037	184,215
Intangible assets	5	89,600	112,000
		400,637	296,215
Current assets			
Advances, deposits & other receivables	6	405,111	472,628
Cash and bank balances	7	1,212,831	4,593,030
		1,617,942	5,065,658
Total Assets		2,018,579	5,361,873
Funds & Liabilities			
General funds			
		1,526,451	5,125,982
Current liabilities			
Accrued and other payables	8	492,128	235,891
Total Funds & Liabilities		2,018,579	5,361,873

The annexed notes from 1 to 16 form an integral part of these financial statements.



CHAIRMAN




FINANCE SECRETARY

PAK AID WELFARE TRUST
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 (Rupees)	2018 (Rupees)
Income	9	9,244,887	12,538,501
Expenditures			
Direct Welfare Expense	10	(10,632,310)	(8,912,242)
General & Administrative Expense	11	(2,212,108)	(1,621,256)
		<u>(3,599,531)</u>	<u>2,005,003</u>
Taxation	3.11	-	-
Surplus/(Deficit) for the year		<u>(3,599,531)</u>	<u>2,005,003</u>

The annexed notes from 1 to 16 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, 2019

	Note	2019 (Rupees)	2018 (Rupees)
Cash Flows from Operating Activities			
Deficit for the year		(3,599,531)	2,005,003
Adjustments			
Depreciation		50,055	35,744
Amortization		22,400	28,000
		<u>(3,527,076)</u>	<u>2,068,747</u>
Working capital changes:			
Advance, deposits and other receivables		67,517	178,001
(Decrease) / Increase in accrued liabilities		256,237	32,991
		323,754	210,992
Taxes paid		-	(29,607)
Net cash (used in) / generated from operating activities		<u>(3,203,322)</u>	<u>2,250,132</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(176,876)	(176,380)
Intangible Assets		-	(140,000)
Net cash used in investing activities		<u>(176,876)</u>	<u>(316,380)</u>
Cash Flows from Financing Activities			
		-	-
(Decrease) / Increase in cash and cash equivalents		<u>(3,380,199)</u>	<u>1,933,752</u>
Cash and cash equivalents at the beginning of the year		4,593,030	2,659,278
Cash and cash equivalents at the end of the year		<u>1,212,831</u>	<u>4,593,030</u>

The annexed notes from 1 to 16 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, 2019

	General Funds	Total
	(Rupees)	(Rupees)
Balance as at May 10, 2017	-	-
Surplus for the period ended June 30, 2017	3,120,979	3,120,979
Balance as at June 30, 2017	3,120,979	3,120,979
Surplus for the year ended June 30, 2018	2,005,003	2,005,003
Balance as at June 30, 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

The annexed notes from 1 to 16 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, 2019

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 establish, run, support and grant aid or other financial assistance to educational institutions, hospitals, dispensaries, maternity homes, child welfare centers, vocational centers, madrasah and such other similar charitable organizations for the benefit and use of general public without any distinction as to caste, color, race or creed.

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, 2019

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.

PAK AID WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

3.6 Income 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.

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 the 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, 2019

4 PROPERTY, PLANT AND EQUIPMENT

Amount in Rupees

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		Balance as at July 01, 2018	Depreciation charge for the year	Balance as at June 30, 2019	
Electrical equipment	51,630	30,185	81,815	20%	8,914	12,089	21,003	60,812
Computers and Accessories	85,500	40,290	125,790	30%	22,163	25,046	47,209	78,581
Furniture and fixtures	84,500	106,401	190,901	10%	6,337	12,920	19,257	171,644
2019	221,630	176,876	398,506		37,414	50,055	87,469	311,037

For Financial Year 2018

PARTICULARS	COST			RATE	ACCUMULATED DEPRECIATION			Net Book Value as at June 30, 2018
	Balance as at July 01, 2017	Additions / (Deletions)	Balance as at June 30, 2018		Balance as at July 01, 2017	Depreciation charge for the year	Balance as at June 30, 2018	
Electrical equipment	25,250	26,380	51,630	20%	671	8,243	8,914	42,716
Computers and Accessories	20,000	65,500	85,500	30%	1,000	21,163	22,163	63,337
Furniture and fixtures		84,500	84,500	10%		6,338	6,338	78,162
2018	45,250	176,380	221,630		1,671	35,744	37,415	184,215

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

5 INTANGIBLE ASSETS

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	Depreciation charge for the year	Balance as at June 30, 2019	
Accounting Software	125,000	-	125,000	20%	25,000	20,000	45,000	80,000
Website	15,000	-	15,000	20%	3,000	2,400	5,400	9,600
2019	140,000	-	140,000		28,000	22,400	50,400	89,600

For Financial Year 2018

PARTICULARS	COST			RATE	ACCUMULATED AMORTIZATION			Net Book Value as at June 30, 2018
	Balance as at July 01, 2017	Additions / (Deletions)	Balance as at June 30, 2018		Balance as at July 01, 2017	Depreciation charge for the year	Balance as at June 30, 2018	
Accounting Software	-	125,000	125,000	20%	-	25,000	25,000	100,000
Website	-	15,000	15,000	20%	-	3,000	3,000	12,000
2018	-	140,000	140,000		-	28,000	28,000	112,000

PAK AID WELFARE TRUSTNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**6 ADVANCE DEPOSITS & OTHER RECEIVABLES**

	2019	2018
	(Rupees)	(Rupees)
Advance to staff	48,783	10,021
Security deposits	285,000	433,000
Advance income tax	71,328	29,607
	405,111	472,628

7 CASH & BANK BALANCES

Cash in Hand	29,570	112,726
Cash at Bank	1,183,261	4,480,304
	1,212,831	4,593,030

8 ACCRUED AND OTHER PAYABLES

Audit fee	35,000	25,000
Accrued expense	457,128	210,891
	492,128	235,891

9 INCOME

Donations	4,492,479	6,767,761
Zakat	2,357,100	5,770,640
Miscellaneous Income	308	100
Atiya for water supply	2,395,000	-
	9,244,887	12,538,501

10 DIRECT WELFARE EXPENSE

Rehabilitation and ad-hoc relief project	6,495,038	4,709,401
Salaries wages and benefits,	2,816,925	2,242,350
Offices rent and maintenance expenses	943,690	1,121,950
Vehicle running and Transportation expenses	36,650	360,821
Advertisement and promotional expenses	340,007	192,093
Other expenses	-	285,627
	10,632,310	8,912,242

PAK AID WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

11 GENERAL & ADMINISTRATIVE EXPENSES

	2019	2018
	(Rupees)	(Rupees)
Staff salaries	818,521	520,351
Legal and professional charges	132,346	1,333
Audit fee expense	35,000	25,000
Rent expense	540,000	255,420
Repairs and maintenance	61,737	84,087
Printing, stationery and advertisement	22,375	54,477
Vehicles running expenses	720	137,336
Travelling and conveyance	3,460	15,865
Postage and cargo	44,167	20,016
Utilities expenses	181,056	86,340
Communication expenses	167,663	261,354
Food and entertainment expenses	25,137	24,767
Miscellaneous expenses	13,537	12,484
Bank charges	13,709	8,577
Rate and taxes	-	50,105
Amortization expense	22,400	28,000
Depreciation expense	50,055	35,744
EOBI expenses	80,225	-
	2,212,108	1,621,256

12 NUMBER OF EMPLOYEES

	2019	2018
Number of employees as at the reporting date	16	9

13 NUMBER OF BRANCHES

At July 01, 2018	4
New Opened during the year	0
Close during the year	0
At June 30, 2019	4

14 CONTINGENCIES

There are no material contingencies as at reporting date.

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

15 GENERAL

Figures have been rounded off to nearest Rupee.

16 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Trustee of the Trust

on 28 OCT 2019



CHAIRMAN



FINANCE SECRETARY