

JAMSHED AKHTER QURESHI EDUCATION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2016



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AUDITORS' REPORT TO THE TRUSTEES OF JAMSHED AKHTER QURESHI EDUCATION TRUST

We have audited the accompanying financial statements of **JAMSHED AKHTER QURESHI EDUCATION TRUST** ("the Trust"), which comprise of statement of financial position as at June 30, 2016 and the related income and expenditure account and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on the statement 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 statement is 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 statement, 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 statement 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, if any, made by the management, as well as evaluating the overall presentation of the statement.

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 present fairly in all material respects the financial position of the Trust as at June 30, 2016 and of its surplus and cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

ISLAMABAD

DATED: 10 APR 2017

Abdul Qadeer
CHARTERED ACCOUNTANTS
Engagement Partner: Abdul Qadeer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

JAMSHED AKHTER QURESHI EDUCATION TRUST
BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property plant and equipments	4	1,632,863	1,726,744
CURRENT ASSETS			
Other receivables	5	245,303	250,000
Cash and bank balances	6	11,181,294	8,420,931
		<u>11,426,597</u>	<u>8,670,931</u>
TOTAL ASSETS		<u>13,059,460</u>	<u>10,397,675</u>
LESS			
CURRENT LIABILITIES			
Accrued liabilities		27,155	486,837
Security Deposits	7	<u>485,127</u>	<u>-</u>
NET ASSETS		<u><u>12,547,178</u></u>	<u><u>9,910,838</u></u>
REPRESENTED BY:			
General Fund		2,471,783	506,243
Endowment fund	8	9,816,995	9,016,995
Deferred capital grant	9	258,400	387,600
		<u><u>12,547,178</u></u>	<u><u>9,910,838</u></u>

The annexed notes 1 to 13 form an integral part of these financial statements.

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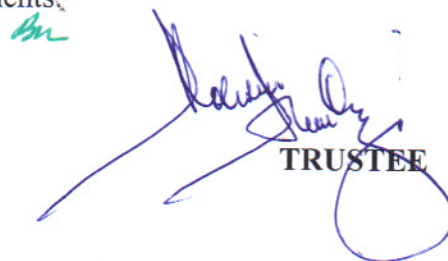
**JAMSHED AKHTER QURESHI EDUCATION TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016**

	Note	2016 Rupees	2015 Rupees
INCOME			
Donations		11,574,415	6,719,364
School income		942,830	646,510
Amortization of deferred capital grant		129,200	129,200
Bank profit		79,437	57,610
Other income	10	1,000	371,000
Exchange gain / (loss)		193,620	174,530
		12,920,502	8,098,214
EXPENDITURE			
Administrative and educational expenses	11	10,825,762	9,823,094
Amortization	9	129,200	129,200
Surplus/(Deficit) for the year		1,965,540	(1,854,080)
Surplus brought forward		506,243	2,360,323
Surplus carried forward		2,471,783	506,243

The annexed notes 1 to 13 form an integral part of these financial statements.



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JAMSHED AKHTER QURESHI EDUCATION TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	1,965,540	(1,854,080)
Adjustments for non cash items:		
Depreciation	339,562	416,766
Exchange gain / (loss)	(193,620)	(174,530)
Gain on sale of fixed assets	-	(371,000)
Amortization of deferred capital grant	(129,200)	(129,200)
	16,742	(257,964)
(Deficit) / surplus before working capital changes	1,982,282	(2,112,044)
(Increase)/decrease in current assets		
Other receivables	4,697	147,670
(Increase)/decrease in current liabilities		
Accrued liabilities	(459,682)	85,557
Security Deposits	485,127	-
	30,142	233,227
Exchange gain	193,620	174,530
Net cash generated from/(used in) operating activities	2,206,044	(1,704,287)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(245,681)	(164,590)
Sale proceeds from sale of assets	-	121,000
Net cash used in investing activities	(245,681)	(43,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to endowment fund	800,000	2,859,500
Net cash generated from financing activities	800,000	2,859,500
Net increase in cash and cash equivalents	2,760,363	1,111,623
Cash and cash equivalents at beginning of the year	8,420,931	7,309,308
Cash and cash equivalents at the end of the year	6 11,181,294	8,420,931

The annexed notes 1 to 13 form an integral part of these financial statements.


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JAMSHED AKHTER QURESHI EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND OBJECTIVES

Jamshed Akhtar Qureshi Education Trust (The Trust) is a Non Government Organization registered on October, 2000 under the Trust Act (II of) 1882. The head office of the organization is located in Islamabad.

The objectives of the Organization are to:

- a) Promote literacy and primary education among poor children through a network of informal community based schools;
- b) Safeguard health of poor children;
- c) Enhance access to the formal school system;
- d) Promote awareness building and social mobilization among poor communities towards self-help;
- e) Provide financial assistance to destitute students.;
- f) Support programme to enhance income generations skills of girls and women; and
- g) Collaborate/link up with other organization pursuing similar objectives.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Accounting convention

These financial statements have been prepared under historical cost convention and accrual basis of accounting.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Organization's functional and presentation currency.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Operating Fixed Assets

Property and equipment is stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged by applying the straight line method whereby the cost of the assets is written off over their estimated useful lives at the rates specified in note 4. Full month's depreciation is charged in the month of addition while no depreciation is charge in the month of

Major renewals and improvements are capitalized whereas normal repair and maintenance is charged to income and expenditure account as and when incurred. Capital expenditure exceeding Rs. 20,000 & having useful life over one year is capitalized.

Gain or loss on disposal of operating fixed assets during the year is charged to the income and expenditure account.

3.2 Endowment fund

Endowment fund represents amounts received from the trustees or donated exclusively by the donors to the fund. The objective of the fund is to sustain the Trust. The fund is utilized in making investment or to pay for expenditures when the donor fund is insufficient.

3.3 Provision for taxation

The company is a non profit organization under section 2 (36) of the Income Tax Ordinance 2001 and is exempt under clause 58 of 2nd schedule of the said ordinance. Therefore, no provision for taxation has been made in these financial statements.

3.4 Cash and bank

For the purpose of cash flow statement, cash and cash equivalent comprise of cash in hand, cash with banks in local and foreign currency saving accounts..

3.5 Income recognition

- Donation income is recognized on receipt basis.
- Contribution to school rent/ school income is recognized on accrual basis.
- Income from interest on bank accounts is recognized on accrual basis.
- Restricted grants received for specific purpose are deferred when received and are recognized as income to the extent of actual expenditure incurred.
- The asset received are recorded as deferred income which is recognized as income on a systematic basis over the useful life of the asset.

3.6 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary balance sheet items at year end exchange rates are recognized in profit and loss account.

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4 OPERATING FIXED ASSETS

Particulars	C o s		t	D e p r e c i a t i o n			Book value as at 30-06-2016
	As at 01-7-2015	Additions/ (Disposal)		As at 30-06-2016	Rate %	For the year Adjustment	
JAQ Trust own fund							
Sheds/Steel polls	1,973,538	245,681		2,219,219	10%	201,448	1,374,463
Furniture and fixture	135,000	-		135,000	33%	-	-
Computer equipment	268,570	-		268,570	33%	8,914	-
Office equipment	14,500	-		14,500	33%	-	-
	2,391,608	245,681		2,637,289		210,362	1,374,463
Donor funded							
Motor vehicle	646,000	-		646,000	20%	129,200	258,400
	646,000	-		646,000		129,200	258,400
June 30, 2016	3,037,608	245,681		3,283,289		339,562	1,632,863
June 30, 2015	3,313,018	(275,410)		3,037,608		416,766	1,726,744

	Note	2016 Rupees	2015 Rupees
5 OTHER RECEIVABLES			
Other receivable		125,303	-
Receivable from sale of assets	5.1	<u>120,000</u>	<u>250,000</u>
		<u>245,303</u>	<u>250,000</u>

5.1 It represents the amount receivable from sale of of motor vehicle on installments. Subsequently, Rs. 100,000 has been received till date as per intallment plan.

	Note	2016 Rupees	2015 Rupees
6 CASH AND BANK BALANCES			
Cash in hand		26,477	1,249
Cash at bank - Saving accounts			
Local currency		3,013,232	1,975,860
Foreign currency	6.1	<u>8,141,585</u>	<u>6,443,822</u>
		<u>11,181,294</u>	<u>8,420,931</u>

6.1 This represents 77,657.24 US Dollars (2015: US Dollars 63,348.63) converted at the rate prevailing at the balance sheet date.

		2016 Rupees	2015 Rupees
7 SECURITY DEPOSITS			
Security Deposits	7.1	<u>485,127</u>	<u>-</u>
		<u>485,127</u>	<u>-</u>

7.1 This relates to security deposit deducted from the salaries of employees. It includes Rs 401,741 that has been deducted and relates to the current year and Rs 83,386 that relates to prior year.

	Note	2016 Rupees	2015 Rupees
8 ENDOWMENT FUND			
Opening balance		9,016,995	6,157,495
Funds received during the year	8.1	<u>800,000</u>	<u>2,859,500</u>
Closing balance		<u>9,816,995</u>	<u>9,016,995</u>

8.1 It represent funds received from the trustees for specific purposes.

9 DEFERRED CAPITAL GRANT			
Deferred capital grant received during the year		387,600	516,800
Amortization for the year	4	<u>(129,200)</u>	<u>(129,200)</u>
Closing balance		<u>258,400</u>	<u>387,600</u>

10 OTHER INCOME

Sale of motor vehicle	-	350,000
Other	1,000	21,000
	<u>1,000</u>	<u>371,000</u>

11 ADMINISTRATIVE AND EDUCATIONAL EXPENSES

Salaries and wages	7,543,699	6,642,673
Book, stationary and teaching aids	447,740	736,917
Food supplements	233,644	265,326
Communication expenses	122,000	101,800
Repair and maintenance-Infrastructure	32,425	131,821
Rent	460,980	349,000
Medical Care	-	1,128
Events	224,158	38,455
Sports kit	45,624	18,396
School uniform	407,665	63,195
Utilities	11,897	19,173
Washing and cleaning	24,016	18,334
Scholarship support	-	-
Staff development & quality enhancement	67,075	104,779
Transportation	698,380	559,490
Legal and other fee	125,925	291,813
Other school operating expenses	142,674	143,625
Depreciation	210,362	287,566
Bank Charges	27,498	24,174
Miscellaneous expenses	-	25,429
	<u>10,825,762</u>	<u>9,823,094</u>

12 DATE OF AUTHORIZATION FOR ISSUE

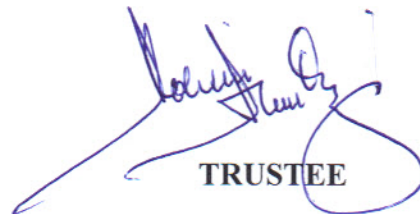
These financial statements are authorized for issue by the Board of Trustees of the trust on
10 APR 2017.

13 GENERAL

Figures have been rounded off to the nearest rupee.



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