

JAMSHED AKHTER QURESHI EDUCATION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2018



**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES****Opinion**

We have audited the financial statements of **JAMSHED AKHTER QURESHI EDUCATION TRUST** ("the Trust"), which comprise the statement of financial position as at June 30, 2018, and the statement of income and expenditure, the statement of cash flows for the year then ended, 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 financial position of the trust as at June 30, 2018 and of its financial performance and its 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 the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 (the Code), 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 Management and Those Charged with Governance for the Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the management determines 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, management is responsible for assessing the Organization'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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

**Auditors 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 auditors report that includes our opinion. Reasonable assurance is a high level of 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 control.
- 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Organization ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors 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 auditors report. However, future events or conditions may cause the Organization 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 control that we identify during our audit.

ISLAMABAD

DATED: 25 MAR 2019

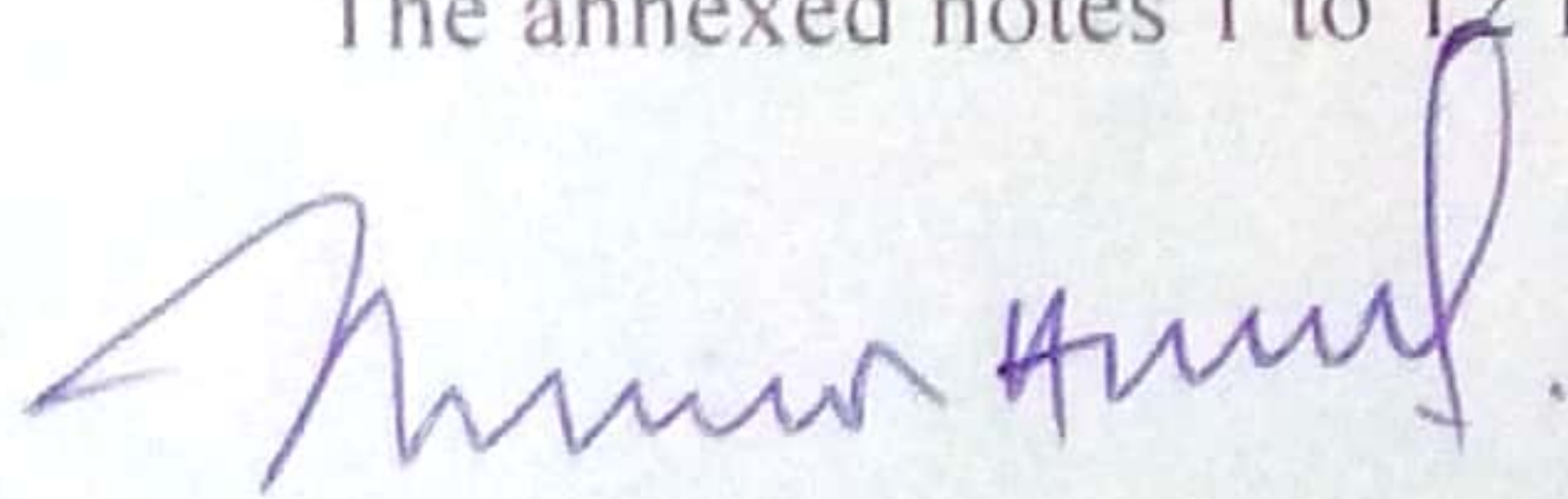
  
CHARTERED ACCOUNTANTS  
Engagement Partner: Abdul Qadeer

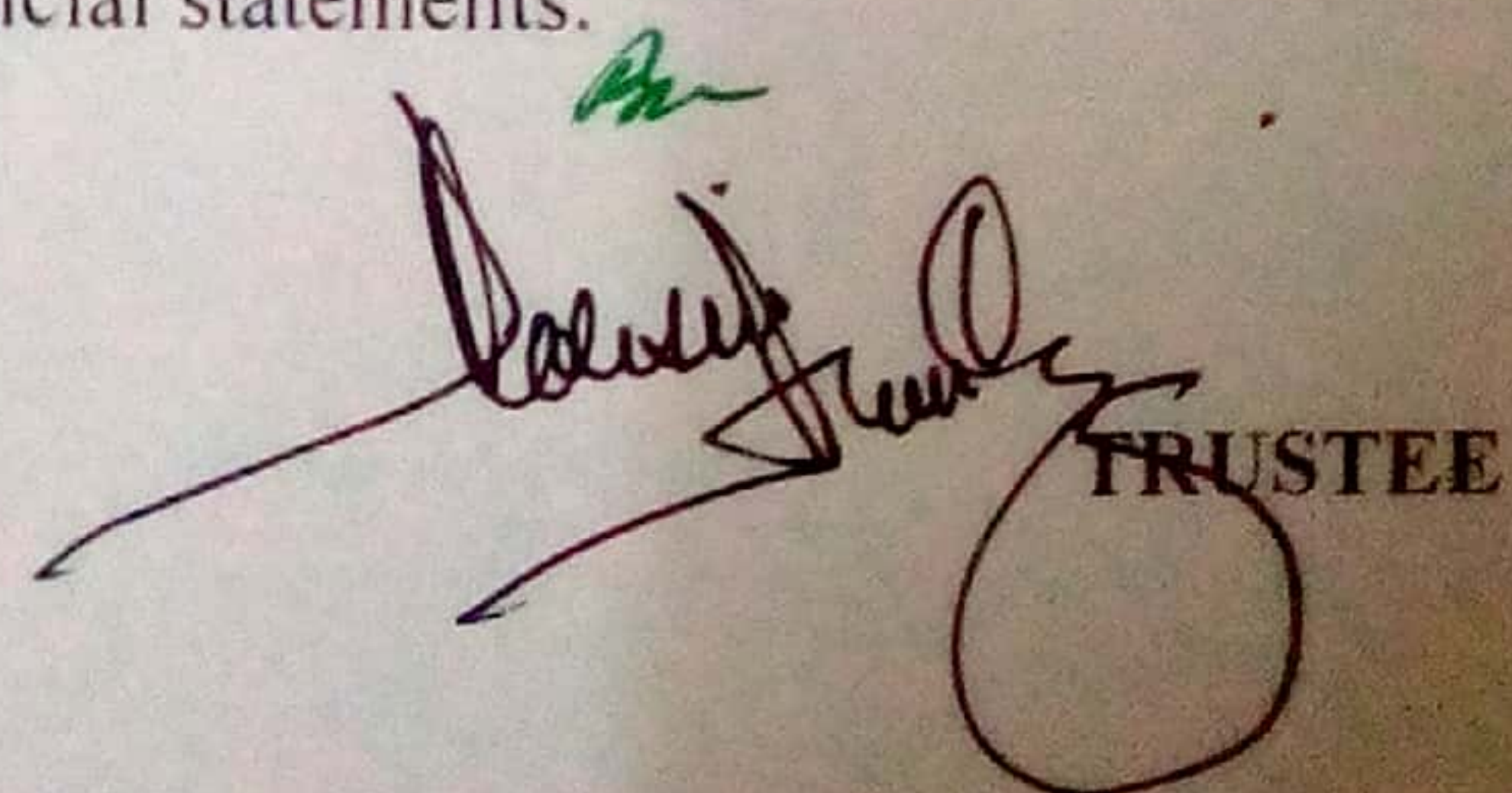


**JAMSHED AKHTER QURESHI EDUCATION TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property plant and equipments	4	<u>1,547,191</u>	<u>1,625,556</u>
		1,547,191	1,625,556
<b>CURRENT ASSETS</b>			
Other receivables	5	104,470	50,000
Tax refund due from government		8,175	-
Advances, deposits and prepayments		50,000	-
Cash and bank balances	6	<u>20,017,168</u>	<u>11,594,478</u>
		20,179,813	11,644,478
<b>TOTAL ASSETS</b>		<u>21,727,004</u>	<u>13,270,034</u>
<b>LESS :</b>			
<b>CURRENT LIABILITIES</b>			
Accrued liabilities		623,067	1,261
Security deposits	7	726,180	446,108
Accounts payable		542,589	-
		1,891,836	447,369
<b>NET ASSETS</b>		<u>19,835,168</u>	<u>12,822,665</u>
<b>REPRESENTED BY:</b>			
General fund		7,822,881	1,257,522
Endowment fund	8	12,012,287	11,435,943
Deferred capital grant	9	-	129,200
		<u>19,835,168</u>	<u>12,822,665</u>

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

  
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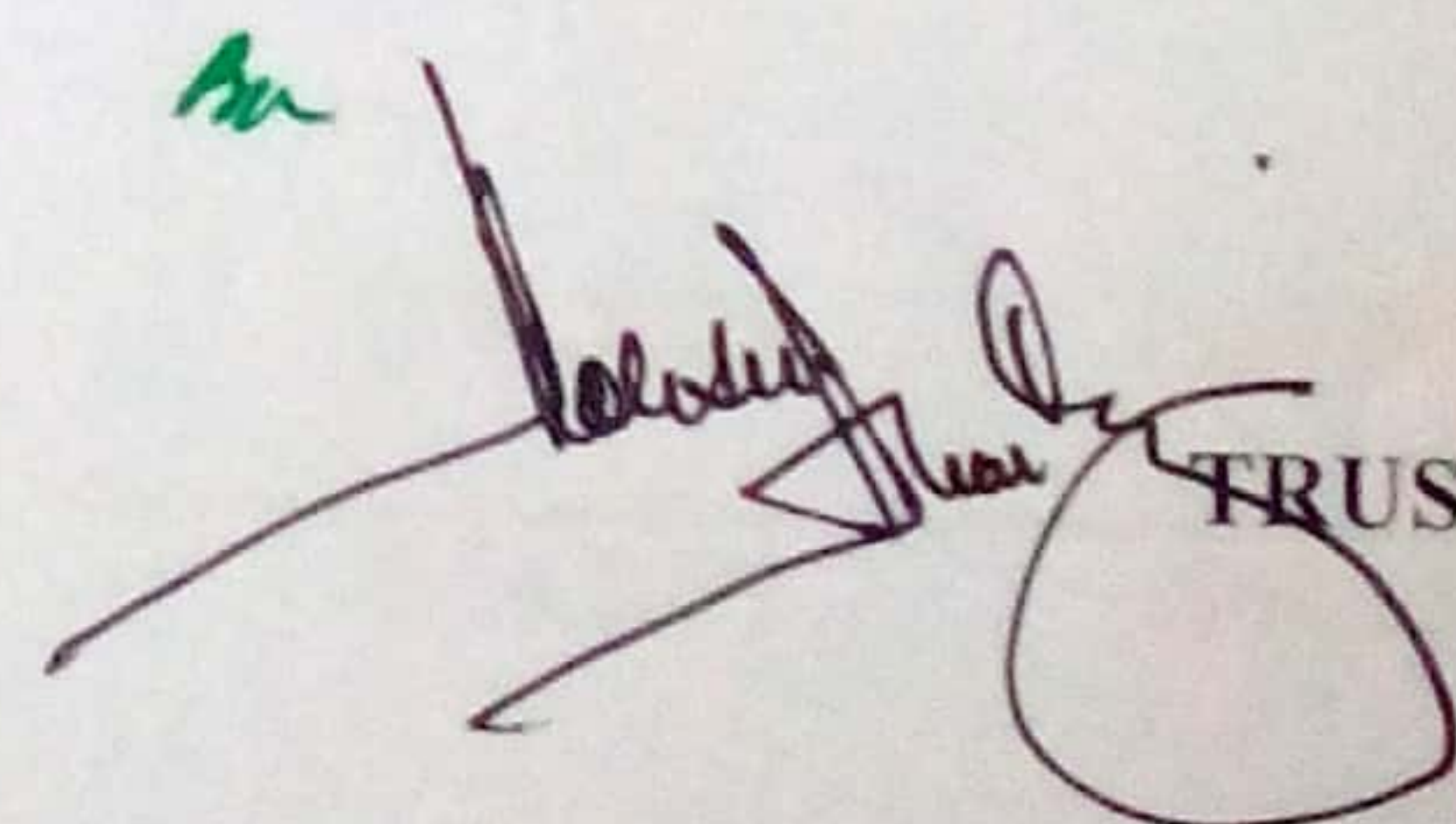


**JAMSHED AKHTER QURESHI EDUCATION TRUST**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b>INCOME</b>			
Donations		17,772,846	9,897,889
School income		1,032,100	1,006,320
Amortization of deferred capital grant		129,200	129,200
Bank profit		67,846	83,745
Exchange gain		2,117,462	-
		<u>21,119,454</u>	<u>11,117,154</u>
<b>EXPENDITURE</b>			
Administrative and educational expenses	10	14,424,895	12,163,687
Amortization	9	129,200	129,200
Exchange loss		-	38,528
		<u>14,554,095</u>	<u>12,331,415</u>
<b>Surplus / (deficit) for the year</b>		<u>6,565,359</u>	<u>(1,214,261)</u>
Surplus brought forward		1,257,522	2,471,783
<b>Surplus carried forward</b>		<u>7,822,881</u>	<u>1,257,522</u>

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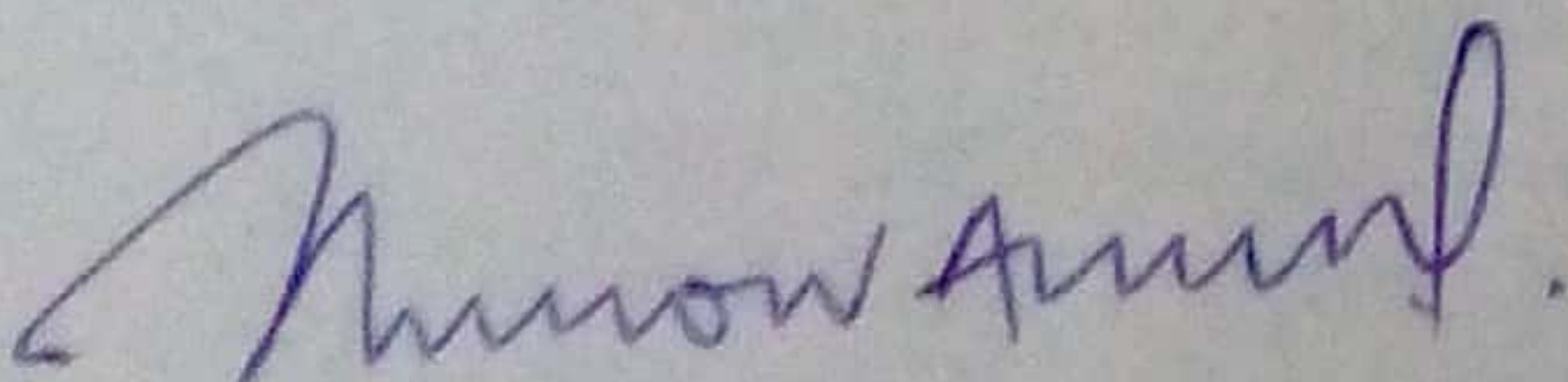
  
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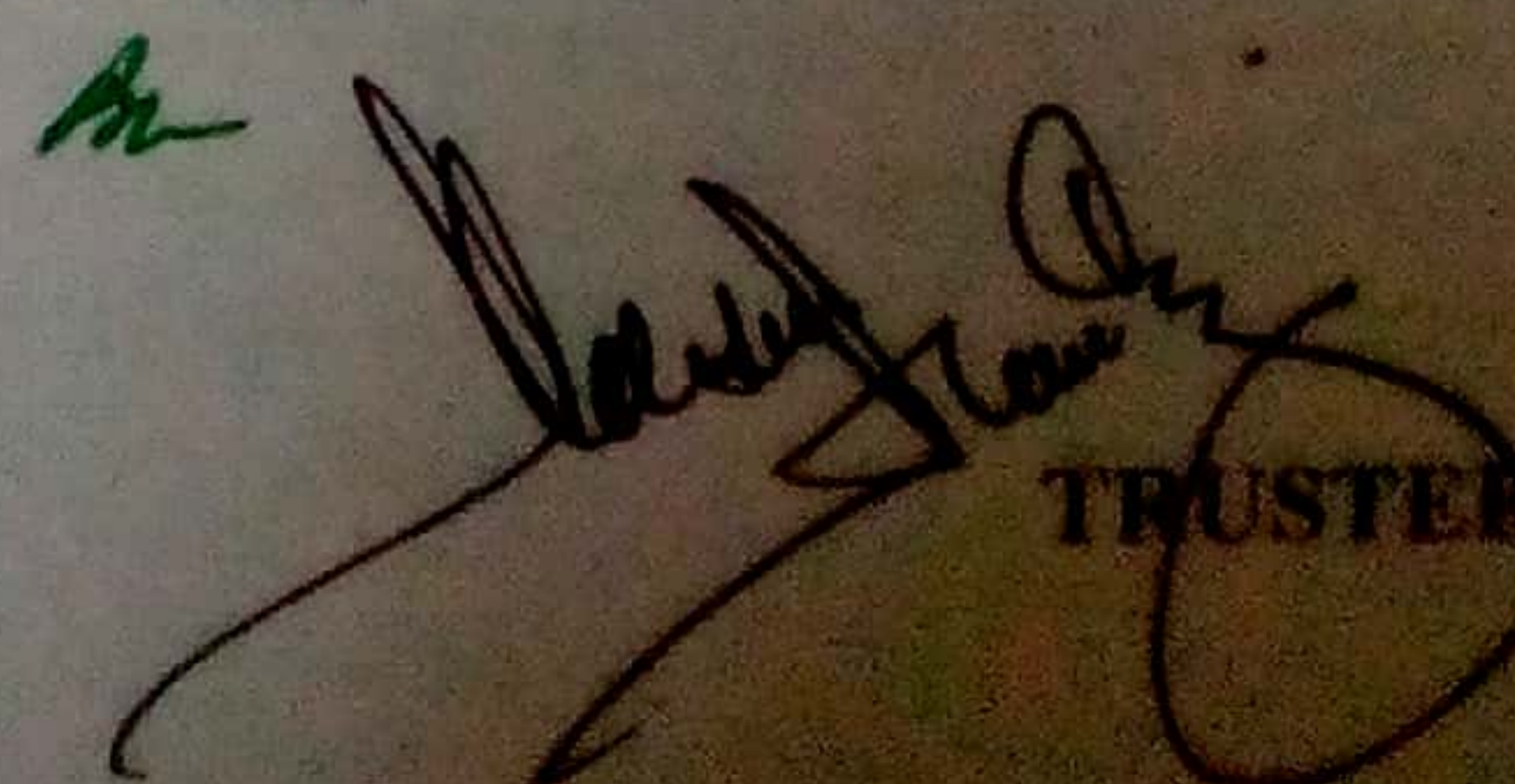


**JAMSHED AKHTER QURESHI EDUCATION TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus / (deficit) for the year		6,565,359	(1,214,261)
Adjustments for non cash items:			
Depreciation		432,868	371,107
Exchange gain / (loss)		(2,117,462)	38,528
Amortization of deferred capital grant		(129,200)	(129,200)
		(1,813,794)	280,435
Surplus / (deficit) before working capital changes		4,751,565	(933,826)
Changes in working capital:			
(Increase)/decrease in current assets			
Other receivables		(54,470)	195,303
Advances, deposits and prepayments		(50,000)	
Increase/(decrease) in current liabilities			
Accrued liabilities		621,806	(25,894)
Security deposits		280,072	(39,019)
Accounts payable		542,589	-
		1,339,997	130,390
Exchange gain / (loss)		2,117,462	(38,528)
Tax paid		(8,175)	-
Net cash (used in) operating activities		8,200,849	(841,964)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(354,503)	(363,800)
		-	-
Net cash used in investing activities		(354,503)	(363,800)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Additions to endowment fund		576,344	1,618,948
Net cash generated from financing activities		576,344	1,618,948
Net increase in cash and cash equivalents		8,422,690	413,184
Cash and cash equivalents at beginning of the year		11,594,478	11,181,294
Cash and cash equivalents at the end of the year	6	20,017,168	11,594,478

The annexed notes 1 to 12 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, 2018**

**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 Revised Accounting and Financial Reporting Standards for Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountant of Pakistan and Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of

**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 Trust's functional and presentation currency.

**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 disposal.

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 grant income of the Foundation is exempt from tax under clause 2 (36) of the Income Tax Ordinance, 2001. The provision for current taxation is based on other taxable income at the current rates of taxation after taking into account tax credit available, if any, or one percent of turnover, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

### **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
	Opening	Additions/ (Disposal)	Closing	Rate %	Opening	For the year	Closing	
<b>JAQ Trust own fund</b>								
Sheds/Steel polls	2,530,219	332,503	2,862,722	10%	1,074,453	261,108	1,335,561	1,527,161
Furniture and fixture	175,800	-	175,800	33%	146,220	29,580	175,800	-
Computer equipment	268,570	22,000	290,570	33%	268,570	4,235	272,805	17,765
Office equipment	26,500	-	26,500	33%	15,490	8,745	24,235	2,265
	3,001,089	354,503	3,355,592		1,504,733	303,668	1,808,401	1,547,191
<b>Donor funded</b>								
Motor vehicle	646,000	-	646,000	20%	516,800	129,200	646,000	-
	646,000	-	646,000		516,800	129,200	646,000	-
<b>June 30, 2018</b>	3,647,089	354,503	4,001,592		2,021,533	432,868	2,454,401	1,547,191
<b>June 30, 2017</b>	3,283,289	363,800	3,647,089		1,650,426	371,107	2,021,533	1,625,556

2018      2017  
Rupees      Rupees

##### 4.1 Depreciation has been allocated as follows:

Administrative expenses	303,668	241,907
Amortized	129,200	129,200
	<u>432,868</u>	<u>371,107</u>



	Note	2018 Rupees	2017 Rupees
<b>5 OTHER RECEIVABLES</b>			
Other receivable	5.1	<u>104,470</u>	<u>50,000</u>

5.1 This represents loan receivable from an associated party.

## 6 CASH AND BANK BALANCES

Cash in hand		10,409	52,633
Cash at bank - Saving accounts			
Local currency	6.1	3,772,615	1,756,185
Foreign currency	6.2	<u>16,234,144</u>	<u>9,785,660</u>
		<u>20,017,168</u>	<u>11,594,478</u>

6.1 These carry markup at the rate 2.6 % semi annually (2017: 2.5% semi annually).

6.2 This represents USD 133,356.64 (2017: USD 93,215.58) converted at the rate prevailing at the balance sheet date.

	Note	2018 Rupees	2017 Rupees
<b>7 SECURITY DEPOSITS</b>			
Security Deposits	7.1	<u>726,180</u>	<u>446,108</u>

7.1 This relates to security deposit deducted from the salaries of employees. During the year an amount of Rs 280,072 has been deducted from salaries.

	Note	2018 Rupees	2017 Rupees
<b>8 ENDOWMENT FUND</b>			
Opening balance		11,435,943	9,816,995
Funds received during the year	8.1	<u>576,344</u>	<u>1,618,948</u>
Closing balance		<u>12,012,287</u>	<u>11,435,943</u>

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

	Note	2018 Rupees	2017 Rupees
<b>9 DEFFERED CAPITAL GRANT</b>			
Opening Balance		129,200	258,400
Amortization for the year	4.1	<u>(129,200)</u>	<u>(129,200)</u>
Closing balance		<u>-</u>	<u>129,200</u>



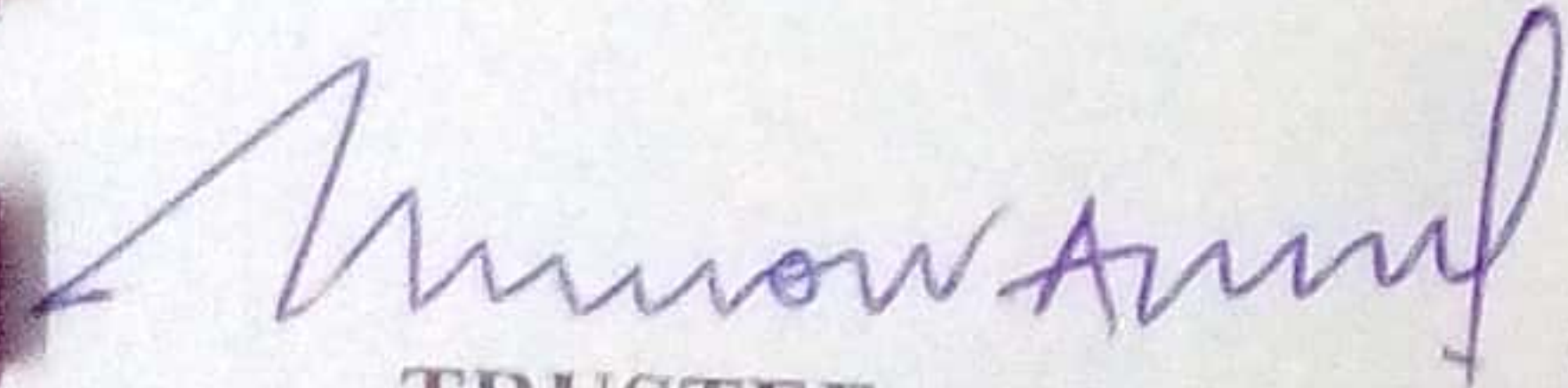
	2018 Rupees	2017 Rupees
<b>10 ADMINISTRATIVE AND EDUCATIONAL EXPENSES</b>		
Salaries and benefits	9,153,137	8,164,988
Books, stationery and teaching	2,114,539	1,333,784
Food supplements	144,414	169,399
Repair and maintenance	84,068	181,200
Events	178,440	157,338
School uniform	276,574	114,160
Staff development & quality enhancement	123,400	182,258
Transportation	118,251	546,255
Professional and legal	64,000	125,305
School supplies/equipment	134,628	75,081
Office supplies/equipment	57,360	-
Rent	1,385,887	668,218
Communication expenses	112,300	123,050
Office management	33,000	28,362
Utilities	32,552	24,815
Bank Charges	7,257	27,567
Depreciation	303,668	241,907
Bad debt written off	50,000	-
Miscellaneous expense	51,420	-
	<u>14,424,895</u>	<u>12,163,687</u>

**11 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements are authorized for issue by the Board of Trustees of the trust on  
25 MAR 2019

**12 GENERAL**

Figures have been rounded off to the nearest rupee.

  
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