



JAMSHED AKHTER QURESHI EDUCATION TRUST

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2020**

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.



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of **JAMSHED AKHTER QURESHI EDUCATION TRUST ("the Trust")**, which comprise of statement of financial position as at June 30, 2020 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust as at June 30, 2020 and of its financial performance for the year then ended in accordance with accounting framework and policies as described in note 2 to the financial statements.

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 *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 (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 accounting framework and policies as described in note 2 to the financial statements 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 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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust financial reporting process.

Advised



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 auditor's 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 Trust'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 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 control that we identify during our audit.

ISLAMABAD

DATED: 16 AUG 2021


CHARTERED ACCOUNTANTS

Engagement Partner: Abdul Qadeer


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JAMSHED AKHTER QURESHI EDUCATION TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4	1,652,335	1,552,056
CURRENT ASSETS			
Other receivables	5	-	40,000
Tax refund due from government		8,175	8,175
Advance, deposits and prepayments	6	295,567	50,000
Cash and bank balances	7	22,752,451	27,823,512
		<u>23,056,193</u>	<u>27,921,687</u>
TOTAL ASSETS		<u>24,708,528</u>	<u>29,473,743</u>
LESS :			
NON CURRENT LIABILITIES			
Deferred capital grant	8	13,174	16,467
CURRENT LIABILITIES			
Accrued liabilities	9	1,236,396	1,113,526
Accounts payable		208,932	857,532
Other payable	10	1,288,426	987,927
		<u>2,733,754</u>	<u>2,958,985</u>
NET ASSETS		<u>21,961,600</u>	<u>26,498,291</u>
REPRESENTED BY:			
General fund		7,018,009	12,604,700
Endowment fund	11	14,943,591	13,893,591
		<u>21,961,600</u>	<u>26,498,291</u>

The annexed notes 1 to 19 form an integral part of these financial statements.


TRUSTEE

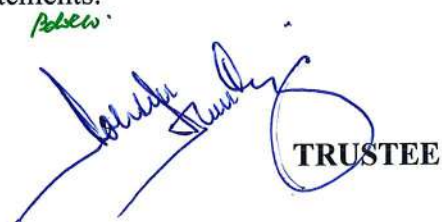

TRUSTEE

JAMSHED AKHTER QURESHI EDUCATION TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Donations	12	15,721,643	18,112,270
School fee income		1,196,920	1,612,071
Amortization of deferred capital grant		3,293	2,533
Bank profit		194,962	114,874
Exchange gain		149,957	4,803,711
		<u>17,266,775</u>	<u>24,645,459</u>
EXPENDITURE			
Administrative and educational expenses	13	22,850,173	19,861,107
Depreciation of donor funded property and equipment	4	3,293	2,533
		<u>(22,853,466)</u>	<u>(19,863,640)</u>
(Deficit) / surplus for the year		(5,586,691)	4,781,819
Surplus brought forward		12,604,700	7,822,881
Surplus carried forward		<u>7,018,009</u>	<u>12,604,700</u>

The annexed notes 1 to 19 form an integral part of these financial statements.


TRUSTEE

Review

TRUSTEE

JAMSHED AKHTER QURESHI EDUCATION TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		(5,586,691)	4,781,819
Adjustments for non cash items:			
Depreciation	4	346,221	325,390
Exchange gain		(149,957)	(4,803,711)
Amortization of deferred capital grant		(3,293)	(2,533)
		192,971	(4,480,854)
(Deficit) / surplus before working capital changes		(5,393,720)	300,965
Changes in working capital:			
(Increase)/decrease in current assets			
Other receivables		40,000	64,470
Advances, deposits and prepayments		(245,567)	-
Increase/(decrease) in current liabilities			
Accrued liabilities		122,870	490,459
Security deposits		300,499	261,747
Accounts payable		(648,600)	314,943
		(430,798)	1,131,619
Exchange gain		149,957	4,803,711
Tax paid		-	-
Net cash (used in) / generated from operating activities		(5,674,561)	6,236,295
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(446,500)	(330,255)
Net cash used in investing activities		(446,500)	(330,255)
CASH FLOWS FROM FINANCING ACTIVITIES			
Additions to endowment fund		1,050,000	1,881,304
Addition to deferred capital grant		-	19,000
Net cash generated from financing activities		1,050,000	1,900,304
Net (decrease) / increase in cash and cash equivalents		(5,071,061)	7,806,344
Cash and cash equivalents at beginning of the year		27,823,512	20,017,168
Cash and cash equivalents at the end of the year	7	22,752,451	27,823,512

The annexed notes 1 to 19 form an integral part of these financial statements.


TRUSTEE


TRUSTEE

JAMSHED AKHTER QURESHI EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 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 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 Trust's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged by applying the reducing balance 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.

Review

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 and 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

Income of the trust other than surplus funds as defined in Sub-section 1A of section 100C is not subject to tax as 100% tax credit is available u/s 100C of Income Tax Ordinance, 2001. Surplus funds of trust as defined in Sub-Section 1A of Section 100C of Income Tax Ordinance, 2001 are subject to tax at the rate of 10%.

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 capital grant 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.

Balance

4 PROPERTY AND EQUIPMENTS

	OWNED				DONOR FUNDED	Total
Description	Sheds/Steel polls	Office equipment	Furniture & fixtures	Computers and accessories	Vehicles	
	Rupees					
Year ended June 30, 2020						
Net carrying value basis						
Opening book value	1,489,179	-	-	46,410	16,467	1,552,056
Additions during the year	416,500	30,000	-	-	-	446,500
Depreciation Charge	(323,488)	(4,125)	-	(15,315)	(3,293)	(346,221)
Closing net book value	1,582,191	25,875	-	31,095	13,174	1,652,335
Gross carrying value basis						
As at June 30, 2020						
Cost	3,547,477	56,500	175,800	333,570	665,000	4,778,347
Accumulated depreciation	(1,965,286)	(30,625)	(175,800)	(302,475)	(651,826)	(3,126,012)
Net book value	1,582,191	25,875	-	31,095	13,174	1,652,335
Year ended June 30, 2019						
Net carrying value basis						
Opening book value	1,527,161	2,265	-	17,765	-	1,547,191
Additions during the year	268,255	-	-	43,000	19,000	330,255
Depreciation Charge	(306,237)	(2,265)	-	(14,355)	(2,533)	(325,390)
Closing net book value	1,489,179	-	-	46,410	16,467	1,552,056
Gross carrying value basis						
As at June 30, 2019						
Cost	3,130,977	26,500	175,800	333,570	665,000	4,331,847
Accumulated depreciation	(1,641,798)	(26,500)	(175,800)	(287,160)	(648,533)	(2,779,791)
Net book value	1,489,179	-	-	46,410	16,467	1,552,056
Annual rate of depreciation (%)	10	33	33	33	20	

4.1 Depreciation has been allocated as follows:

Note	2020 Rupees	2019 Rupees
Administrative expenses	13 342,928	322,857
Amortization of deferred capital grant	8 3,293	2,533
	346,221	325,390

	Note	2020 Rupees	2019 Rupees
5 OTHER RECEIVABLES			
Other receivable	5.1	<u>-</u>	<u>40,000</u>

5.1 This represents loan receivable from school principal.

6 ADVANCE, DEPOSITS AND PREPAYMENTS

Advance to staff against salary		30,900	-
Security deposit - against rent		50,000	50,000
Prepaid rent		<u>214,667</u>	<u>-</u>
		<u>295,567</u>	<u>50,000</u>

7 CASH AND BANK BALANCES

Cash at bank - saving accounts			
Local currency	7.1	9,033,138	1,823,117
Foreign currency	7.2	<u>13,719,313</u>	<u>25,982,290</u>
		22,752,451	27,805,407
Cash in hand - local currency		<u>-</u>	<u>18,105</u>
		<u>22,752,451</u>	<u>27,823,512</u>

7.1 These carry an average markup at the rate 2.25% semi annually (2019: 2.6% semi annually).

7.2 This represents USD 81,300.05 (2019: USD 160,731.77) converted at the rate prevailing at the balance sheet date.

	2020 Rupees	2019 Rupees
8 DEFERRED CAPITAL GRANT		
Balances at beginning of the year	16,467	-
Donations in kind of capital nature received	<u>-</u>	<u>19,000</u>
	16,467	19,000
Less:		
Amortized during the year	<u>(3,293)</u>	<u>(2,533)</u>
Closing balance	<u>13,174</u>	<u>16,467</u>

Balance

	Note	2020 Rupees	2019 Rupees
9 ACCRUED LIABILITIES			
Salaries payable		1,231,146	1,112,942
Withholding tax payable		5,250	584
		<u>1,236,396</u>	<u>1,113,526</u>

10 OTHER PAYABLE

Salary payable	10.1	<u>1,288,426</u>	<u>987,927</u>
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10.1 This represents amount deducted from the salaries of employees payable at the time of resignation of employees. During the year an amount of Rs. 522,720 has been deducted from salaries.

	Note	2020 Rupees	2019 Rupees
11 ENDOWMENT FUND			
Opening balance		13,893,591	12,012,287
Funds received during the year	11.1	<u>1,050,000</u>	<u>1,881,304</u>
Closing balance		<u>14,943,591</u>	<u>13,893,591</u>

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

12 DONATIONS

Local donation	9,852,143	8,668,270
Foreign donation	<u>5,869,500</u>	<u>9,444,000</u>
	<u>15,721,643</u>	<u>18,112,270</u>

	2020 Rupees	2019 Rupees
13 ADMINISTRATIVE AND EDUCATIONAL EXPENSES		
Salaries and benefits	16,790,279	13,045,001
Books, stationery and teaching	375,046	2,507,512
Food supplements	194,429	221,533
Repair and maintenance	93,015	208,537
Events	55,370	312,280
School uniform	553,710	297,832
Staff development and quality enhancement	331,934	132,992

Adviser

	Note	2020 Rupees	2019 Rupees
Transportation		344,055	321,730
Professional and legal		819,050	525,110
School supplies/equipment		402,767	177,756
Office supplies/equipment		205,200	150,801
Rent		1,659,491	1,395,091
Communication expenses		114,200	141,820
Utilities		175,763	98,602
Bank Charges		75,981	-
Depreciation	4	342,928	322,857
Bad debt written off		1,175	900
Ration distribution	13.1	250,000	-
Scholarship expense		65,780	-
Miscellaneous expense		-	753
		<u>22,850,173</u>	<u>19,861,107</u>

- 13.1 This represents food items distributed by the Trust to families of deserving students of JAQ Trust, in Covid-19 lockdown period during the year.

14 NUMBER OF EMPLOYEES

	2020 Numbers	2019 Numbers
Total number of employees		
At June 30,	<u>75</u>	<u>67</u>
Average during the year	<u>73</u>	<u>68</u>

Review.

15 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

15.1 The aggregate amounts charged in the accounts for the remuneration including benefits applicable to the chief executive and directors of the Company are as follow :

	2020				2019			
	Chief Excecutive	Trustees	Executives	Total	Chief Excecutive	Trustees	Executives	Total
	-----Rupees-----							
Managerial remuneration	-	-	-	-	-	-	-	-
House rent	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Number of persons	1	7	-	8	1	8	-	9

15.2 No other benefits have been paid to Managing trustee and trustees.
Advised.

16 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, where as necessary, to facilitate comparisons. However, there was no significant reclassification during the year.

17 IMPACT OF COVID-19

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. In March, 2020, the Government of the Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. The lockdown was subsequently relaxed from end of May, 2020; after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of all stakeholders. Due to closure of educational institutions because of pandemic, the educational system and mental growth of students has been adversely affected. Due to this, the school management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following area:

-going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

18 DATE OF AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue by the Board of Trustees of the trust on 16 AUG 2021.

19 GENERAL

Figures have been rounded off to the nearest rupee.

Review



TRUSTEE



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