

**FINANCIAL STATEMENTS OF**

**JAMSHED AKHTAR QURESHI EDUCATION  
TRUST**

**FOR THE YEAR ENDED  
JUNE 30, 2022**



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TRUST**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

**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.



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## INDEPENDENT AUDITORS REPORT TO THE TRUSTEES

### Opinion

We have audited the financial statements of JAMSHED AKHTAR QURESHI EDUCATION TRUST ("the Trust"), which comprise of statement of financial position as at June 30, 2022 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, 2022 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.

*BDO*





## 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: 30 MAR 2023

UDIN: AR2022100945G6IRMQpT

*Bdo elnabhan & Co.*  
CHARTERED ACCOUNTANTS  
Engagement Partner: Iffat Hussain  
*Iffat*

BDO Ebrahim & Co. Chartered Accountants Page - 2

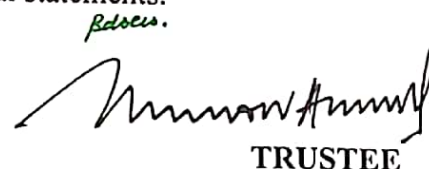
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**JAMSHED AKHTAR QURESHI EDUCATION TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipments	4	7,082,699	2,916,841
<b>CURRENT ASSETS</b>			
Tax refund due from Government		8,175	8,175
Advance, deposits and prepayments	5	646,607	319,803
Short term investment	6	14,000,000	-
Bank balances	7	25,857,762	26,699,803
		40,512,544	27,027,781
<b>TOTAL ASSETS</b>		<b>47,595,243</b>	<b>29,944,622</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	8	4,324,434	217,114
<b>CURRENT LIABILITIES</b>			
Accrued liabilities	9	2,559,951	1,767,327
Accounts payable		-	160,356
Other payable	10	1,751,658	1,422,305
		4,311,609	3,349,988
<b>TOTAL LIABILITIES</b>		<b>8,636,043</b>	<b>3,567,102</b>
<b>NET ASSETS</b>		<b>38,959,200</b>	<b>26,377,520</b>
<b>REPRESENTED BY:</b>			
General fund		19,827,359	10,485,929
Endowment fund	11	19,131,841	15,891,591
		38,959,200	26,377,520

The annexed notes from 1 to 20 form an integral part of these financial statements.

  
**TRUSTEE**

*Revised.*  
  
**TRUSTEE**

**JAMSHED AKHTAR QURESHI EDUCATION TRUST**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>INCOME</b>			
Donations	12	37,468,666	28,320,804
School income	13	2,170,790	986,095
Amortisation of deferred capital grant	4	580,986	21,210
Other income	14	1,771,577	518,319
Exchange gain		3,877,205	-
		<u>45,869,224</u>	<u>29,846,428</u>
<b>EXPENDITURE</b>			
Administrative and educational expenses	15	35,946,808	25,417,610
Depreciation of donor funded property and equipment	4	580,986	21,210
Exchange loss		-	939,688
		<u>36,527,794</u>	<u>26,378,508</u>
Surplus for the year		9,341,430	3,467,920
Surplus brought forward		10,485,929	7,018,009
Surplus carried forward		<u>19,827,359</u>	<u>10,485,929</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

  
**TRUSTEE**

  
**TRUSTEE**



**JAMSHED AKHTAR QURESHI EDUCATION TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		9,341,430	3,467,920
Adjustments for non cash items:			
Depreciation	4	1,201,301	306,967
Exchange gain/(loss)		(3,877,205)	939,688
Amortisation of deferred capital grant		(580,986)	(21,210)
Gain on Disposal of fixed asset		(412,064)	-
		(3,668,954)	1,225,445
Surplus before working capital changes		5,672,476	4,693,365
Changes in working capital:			
(Increase)/decrease in current assets			
Advances, deposits and prepayments		(326,804)	(24,236)
Increase/(decrease) in current liabilities			
Accrued liabilities		792,624	530,931
Security deposits		329,353	133,879
Accounts payable		(160,356)	(48,576)
		634,817	591,998
Exchange gain/(loss)		3,877,205	(939,688)
Net cash generated from operating activities		10,184,498	4,345,675
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(5,399,230)	(1,571,473)
Proceeds from sale of fixed asset		435,000	-
Short term investment		(14,000,000)	-
Net cash used in investing activities		(18,964,230)	(1,571,473)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Additions to endowment fund		3,240,250	948,000
Deferred capital grant fund received	8	4,697,441	225,150
		7,937,691	1,173,150
Net (decrease)/increase in cash and cash equivalents		(842,041)	3,947,352
Cash and cash equivalents at beginning of the year		26,699,803	22,752,451
Cash and cash equivalents at the end of the year	7	25,857,762	26,699,803

The annexed notes from 1 to 20 form an integral part of these financial statements.

TRUSTEE

TRUSTEE

**JAMSHED AKHTAR QURESHI EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1 LEGAL STATUS AND OBJECTIVES**

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

The objectives of the organisation 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 organisation 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 Organisations (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.

*follows*



Major renewals and improvements are capitalised whereas normal repair and maintenance is charged to income and expenditure account as and when incurred. Capital expenditure exceeding Rs. 10,000 and having useful life over one year is capitalised.

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

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%.

### **3.2 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 utilised 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 recognised on receipt basis.
- Contribution to school rent/ school income is recognised on accrual basis.
- Income from interest on bank accounts is recognised on accrual basis.
- Restricted grants received for specific purpose are deferred when received and are recognised as income to the extent of actual expenditure incurred.
- The asset received are recorded as deferred capital grant which is recognised 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 recognised in profit and loss account.

*pdscv.*

#### 4 PROPERTY AND EQUIPMENTS

PROPERTY AND EQUIPMENTS												
Description	Rupees											
	OWNED				Total	DONOR FUNDED				Total	Grand Total	
	Sheds/Steel pools	Office equipment	Furniture and fixtures	Computers and accessories		Sheds/Steel pools	Office equipment	Furniture and fixtures	Computers and accessories			Vehicles
Year ended June 30, 2022												
Net carrying value basis												
Opening book value	1,450,894	333,575	-	915,258	2,699,727	-	-	-	206,575	10,539	217,114	2,916,841
Additions during the year	-	449,363	252,426	-	701,789	1,547,091	-	132,750	58,600	572,000	4,697,441	5,399,230
Deletions during the year	-	-	-	(22,936)	(22,936)	-	-	-	-	(9,135)	(9,135)	(32,071)
Depreciation Charge	(145,090)	(145,149)	(35,610)	(294,466)	(620,315)	(39,910)	(23,590)	(12,931)	(186,117)	(318,438)	(580,986)	(1,201,301)
Closing net book value	1,305,804	637,789	216,816	597,856	2,758,265	1,507,181	109,160	45,669	592,458	2,069,966	4,324,434	7,082,699
Gross carrying value basis												
Cost	3,576,847	847,966	428,226	1,285,484	6,138,523	1,547,091	132,750	58,600	797,150	3,042,865	5,578,456	11,716,979
Accumulated depreciation	(2,271,043)	(210,177)	(211,410)	(687,628)	(3,380,258)	(39,910)	(23,590)	(12,931)	(204,692)	(972,899)	(1,254,022)	(4,634,280)
Net book value	1,305,804	637,789	216,816	597,856	2,758,265	1,507,181	109,160	45,669	592,458	2,069,966	4,324,434	7,082,699
Year ended June 30, 2021												
Net carrying value basis												
Opening book value	1,582,191	25,875	-	31,095	1,639,161	-	-	-	-	13,174	13,174	1,652,335
Additions during the year	29,370	342,103	-	974,850	1,346,323	-	-	-	225,150	-	225,150	1,571,473
Depreciation Charge	(160,667)	(34,403)	-	(90,687)	(285,757)	-	-	-	(18,575)	(2,635)	(21,210)	(306,967)
Closing net book value	1,450,894	333,575	-	915,258	2,699,727	-	-	-	206,575	10,539	217,114	2,916,841
Gross carrying value basis												
Cost	3,576,847	398,603	175,800	1,308,420	5,459,670	-	-	-	225,150	665,000	890,150	6,349,820
Accumulated depreciation	(2,125,953)	(65,028)	(175,800)	(393,162)	(2,759,943)	-	-	-	(18,575)	(654,461)	(673,036)	(3,432,979)
Net book value	1,450,894	333,575	-	915,258	2,699,727	-	-	-	206,575	10,539	217,114	2,916,841

Note

4.1 Depreciation has been allocated as follows:

Note	2022	2021
	Rupees	Rupees
8	580,986	21,210
15	620,315	285,756
	1,201,301	306,966

*pdw.*

	Note	2022 Rupees	2021 Rupees
<b>5 ADVANCE, DEPOSITS AND PREPAYMENTS</b>			
Advance to staff against salary		243,800	45,000
Security deposit - against rent		50,000	50,000
Prepaid rent		351,497	223,493
Others		1,310	1,310
		<u>646,607</u>	<u>319,803</u>

**6 SHORT TERM INVESTMENT**

Short term investment - TDR	6.1	<u>14,000,000</u>	<u>-</u>
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- 6.1 Short term investment were made in TDR's during the year on monthly basis which carry markup of 12.75% annually.

**7 BANK BALANCES**

Cash at bank - saving accounts			
Local currency		9,194,429	13,914,992
Foreign currency		16,663,333	12,784,811
	7.1	<u>25,857,762</u>	<u>26,699,803</u>

- 7.1 These carry an average markup at the rate of 5.5% to 7.25% semi annually (2021: 0.01% to 4.4% semi annually).

	Note	2022 Rupees	2021 Rupees
<b>8 DEFERRED CAPITAL GRANT</b>			
Balances at beginning of the year		217,114	13,174
Additions during the year	4	<u>4,697,441</u>	<u>225,150</u>
		4,914,555	238,324
Less:			
Amortisation during the year		(580,986)	(21,210)
Disposals during the year		(9,135)	-
Closing balance		<u>4,324,434</u>	<u>217,114</u>

**9 ACCRUED LIABILITIES**

Salaries payable		2,548,841	1,750,107
Withholding tax payable		11,110	17,220
		<u>2,559,951</u>	<u>1,767,327</u>

*Notes:*

	Note	2022 Rupees	2021 Rupees
<b>10 OTHER PAYABLE</b>			
Security deposit	10.1	<u>1,751,658</u>	<u>1,422,305</u>

- 10.1 This represents amount deducted from the salaries of employees payable at the time of resignation of employees held as security. During the year, an amount of Rs. 351,351 has been paid to employees.

	Note	2022 Rupees	2021 Rupees
<b>11 ENDOWMENT FUND</b>			
Opening balance		15,891,591	14,943,591
Funds received during the year		<u>3,240,250</u>	<u>948,000</u>
Closing balance		<u>19,131,841</u>	<u>15,891,591</u>

**12 DONATIONS**

Local donation		14,542,916	10,055,602
Foreign donation	12.1	<u>22,925,750</u>	<u>18,265,202</u>
		<u>37,468,666</u>	<u>28,320,804</u>

- 12.1 This represents funds received from Pehli Kiran Schools USA for the purpose of provision of high quality and low cost education to poor communities in Pakistan.

	Note	2022 Rupees	2021 Rupees
<b>13 SCHOOL INCOME</b>			
Monthly school fee collected		2,040,840	899,595
Admission fee collected		72,900	50,750
Computer center fee		13,350	3,900
Stitching center		43,700	26,250
English center	13.1	<u>-</u>	<u>5,600</u>
		<u>2,170,790</u>	<u>986,095</u>

- 13.1 English center has been closed during the year due to which it shows Nil balance for the year.

*Balance*



	Note	2022 Rupees	2021 Rupees
<b>14 OTHER INCOME</b>			
Profit on bank deposit		1,036,552	347,285
Gain on disposal of assets		412,064	-
Liabilities written back	14.1	322,961	171,034
		<u>1,771,577</u>	<u>518,319</u>

14.1 This represents security deposit deducted from salaries of employees not repaid due to not serving adequate notice period at the time of resignation, has been written off during the year.

	Note	2022 Rupees	2021 Rupees
<b>15 ADMINISTRATIVE AND EDUCATIONAL EXPENSES</b>			
Salaries and benefits		23,752,110	16,899,435
Rent		2,453,133	2,034,107
Books, stationery and teaching		1,966,864	2,852,950
School uniform		1,241,918	49,440
Staff development and quality enhancement		1,057,970	187,363
Professional and legal		980,050	259,300
Transportation		637,429	345,348
School supplies/equipment		579,408	414,870
Food supplements		450,128	155,474
Repair and maintenance		447,941	154,838
Events		353,894	37,800
Office supplies/equipment		175,044	84,080
Sports equipment		43,540	-
Communication expenses		4,450	41,150
Utilities		262,619	225,641
Bank Charges		179,826	169,167
Depreciation	4	620,315	285,757
Bad debt written off		-	-
Ration distribution		-	912,939
Scholarship expense		562,513	282,746
PKL supplies & equipment		177,656	25,205
		<u>35,946,808</u>	<u>25,417,610</u>

*Revised.*

## 16 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

16.1 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 :

	2022			2021		
	Managing Trustee	Trustees	Total	Managing Trustee	Trustees	Total
-----Rupees-----						
Managerial remuneration	-	-	-	-	-	-
House rent	-	-	-	-	-	-
	-	-	-	-	-	-
Number of persons	1	5	6	1	6	7

16.2 No remuneration or benefits have been paid to Managing trustee and trustees.  
*sd/sen.*

**17 NUMBER OF EMPLOYEES**

The number of employees as at year end were 103 (2021: 83) and average number of employees during the year were 96 (2021: 78).

**18 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.

**19 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements are authorized for issue by the Board of Trustees of the trust on 30 MAR 2023.

**20 GENERAL**

Figures have been rounded off to the nearest rupee.  
*pesos.*

  
TRUSTEE

  
TRUSTEE



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