



JAMSHED AKHTAR QURESHI
EDUCATION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2023

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, 2023 and the related income and expenditure account, statement of changes in fund 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, 2023 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.

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

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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: 20 DEC 2023

UDIN: AR202310094YMp3AanE5

Bdo ebrahim & Co.
CHARTERED ACCOUNTANTS

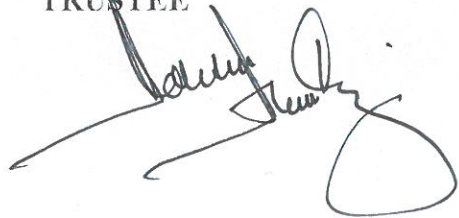
Engagement Partner: Iffat Hussain
Iffat Hussain

JAMSHED AKHTAR QURESHI EDUCATION TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4	8,951,486	7,082,699
CURRENT ASSETS			
Tax refund due from Government		8,175	8,175
Advance, deposits and prepayments	5	296,647	646,607
Short term investment	6	-	14,000,000
Bank balances	7	28,336,361	25,857,762
		28,641,183	40,512,544
TOTAL ASSETS		37,592,669	47,595,243
FUNDS AND LIABILITIES			
FUND			
General fund		2,714,005	19,827,359
Endowment fund	11	24,853,841	19,131,841
		27,567,846	38,959,200
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred capital grant	8	4,474,408	4,324,434
CURRENT LIABILITIES			
Accrued liabilities	9	2,820,295	2,559,951
Other payable	10	2,730,120	1,751,658
		5,550,415	4,311,609
TOTAL LIABILITIES		10,024,823	8,636,043
TOTAL FUNDS AND LIABILITIES		37,592,669	47,595,243

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

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JAMSHED AKHIL QURESHI EDUCATION TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME			
Donations	12	26,728,046	37,468,666
School income	13	3,711,740	2,170,790
Amortisation of deferred capital grant	4	1,044,526	580,986
Other income	14	2,153,131	1,771,577
Exchange gain		6,925,200	3,877,205
		<u>40,562,643</u>	<u>45,869,224</u>
EXPENDITURE			
Administrative and educational expenses	15	56,631,471	35,946,808
Depreciation of donor funded property and equipment	4	1,044,526	580,986
		<u>57,675,997</u>	<u>36,527,794</u>
(Deficit) / Surplus for the year		<u>(17,113,354)</u>	<u>9,341,430</u>
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		<u>(17,113,354)</u>	<u>9,341,430</u>

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

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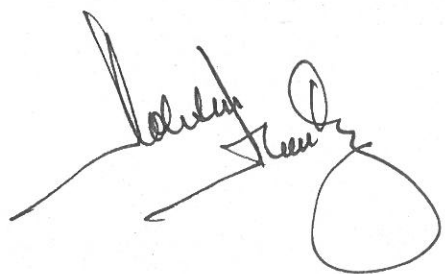
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JAMSHED AKHTAR QURESHI EDUCATION TRUST
STATEMENT OF CHANGES IN FUND ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Endowment Fund	Total
	----- Rupees -----		
Balance at July 01, 2021	10,485,929	15,891,591	26,377,520
(Deficit) / Surplus for the year	9,341,430	3,240,250	12,581,680
Balance at June 30, 2022	19,827,359	19,131,841	38,959,200
Balance at July 01, 2022	19,827,359	19,131,841	38,959,200
(Deficit) / Surplus for the year	(17,113,354)	5,722,000	(11,391,354)
Balance at June 30, 2023	2,714,005	24,853,841	27,567,846

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

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JAMSHIED AKHITAR QURESHI EDUCATION TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / Surplus for the year		(17,113,354)	9,341,430
Adjustments for non cash items:			
Depreciation	4	1,852,495	1,201,301
Exchange gain/(loss)		(6,925,200)	(3,877,205)
Amortisation of deferred capital grant		(1,044,526)	(580,986)
Gain on Disposal of fixed asset		(7,569)	(412,064)
		(6,124,800)	(3,668,954)
Deficit before working capital changes		(23,238,154)	5,672,476
Changes in working capital:			
(Increase)/decrease in current assets			
Advances, deposits and prepayments		349,960	(326,804)
Increase/(decrease) in current liabilities			
Accrued liabilities		260,344	632,268
Other payable		978,462	329,353
		1,588,766	634,817
Exchange gain / (loss)		6,925,200	3,877,205
Net cash generated from operating activities		(14,724,188)	10,184,498
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(3,736,650)	(5,399,230)
Proceeds from sale of fixed asset		22,937	435,000
Short term investment		14,000,000	(14,000,000)
Net cash used in investing activities		10,286,287	(18,964,230)
CASH FLOWS FROM FINANCING ACTIVITIES			
Additions to endowment fund		5,722,000	3,240,250
Deferred capital grant fund received	8	1,194,500	4,697,441
Net cash generated from financing activities		6,916,500	7,937,691
Net (decrease)/increase in cash and cash equivalents		2,478,599	(842,041)
Cash and cash equivalents at beginning of the year		25,857,762	26,699,803
Cash and cash equivalents at the end of the year	7	28,336,361	25,857,762

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

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JAMSHED AKHTAR QURESHI EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

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.

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- 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.

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4 PROPERTY AND EQUIPMENTS

Description	OWNED				Total	DONOR FUNDED				Total	Grand Total	
	Sheds/Steel polls	Office equipment	Furniture and fixtures	Computers and accessories		Sheds/Steel polls	Office equipment	Furniture and fixtures	Computers and accessories			Vehicles
-----Rupees-----												
Year ended June 30, 2023												
Net carrying value basis												
Opening 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
Additions during the year	1,891,657	343,295	307,198	-	2,542,150	-	436,000	43,500	715,000	-	1,194,500	3,736,650
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	25,000	25,000	-	-	-	-	-	-	25,000
Accumulated depreciation	-	-	-	(9,632)	(9,632)	-	-	-	-	-	-	(9,632)
	-	-	-	15,368	15,368	-	-	-	-	-	-	15,368
Depreciation Charge	(230,964)	(255,061)	(115,019)	(206,925)	(807,969)	(150,718)	(77,905)	(24,875)	(376,048)	(414,980)	(1,044,526)	(1,852,495)
Closing net book value	2,966,497	726,023	408,995	375,563	4,477,078	1,356,463	467,255	64,294	931,410	1,654,986	4,474,408	8,951,486
Gross carrying value basis												
Cost	5,468,504	1,191,261	735,424	1,260,484	8,655,673	1,547,091	568,750	102,100	1,512,150	3,042,865	6,772,956	15,428,629
Accumulated depreciation	(2,502,007)	(465,238)	(326,429)	(884,921)	(4,178,595)	(190,628)	(101,495)	(37,806)	(580,740)	(1,387,879)	(2,298,548)	(6,477,143)
Net book value	2,966,497	726,023	408,995	375,563	4,477,078	1,356,463	467,255	64,294	931,410	1,654,986	4,474,408	8,951,486
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	2,387,000	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
Annual rate of depreciation (%)	10	33	33	33	33	10	33	33	33	20		

4.1 Depreciation has been allocated as follows:

Note	2023	2022
8	1,044,526	580,986
15	807,969	620,315
	1,852,495	1,201,301

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	Note	2023 Rupees	2022 Rupees
5 ADVANCE, DEPOSITS AND PREPAYMENTS			
Advance to staff against salary		27,500	243,800
Security deposit - against rent		50,000	50,000
Prepaid rent		217,837	351,497
Others		1,310	1,310
		<u>296,647</u>	<u>646,607</u>

6 SHORT TERM INVESTMENT

Short term investment - TDR	6.1	<u>-</u>	<u>14,000,000</u>
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6.1 Short term investments were made in TDR's during the last year, however these are encashed during the year which carries markup of 12.5% to 13.75%.

	Note	2023 Rupees	2022 Rupees
7 BANK BALANCES			
Cash at bank - saving accounts			
Local currency		4,746,233	9,194,429
Foreign currency		23,590,128	16,663,333
	7.1	<u>28,336,361</u>	<u>25,857,762</u>

7.1 These carry an average markup at the rate of 12% to 14.50% annually (2022: 5.5% to 7.25% semi annually).

	Note	2023 Rupees	2022 Rupees
8 DEFERRED CAPITAL GRANT			
Balances at beginning of the year		4,324,434	217,114
Additions during the year	4	<u>1,194,500</u>	<u>4,697,441</u>
		5,518,934	4,914,555
Less:			
Amortisation during the year		(1,044,526)	(580,986)
Disposals during the year		-	(9,135)
Closing balance		<u>4,474,408</u>	<u>4,324,434</u>

Revised

	Note	2023 Rupees	2022 Rupees
9 ACCRUED LIABILITIES			
Accrued expenses		310,839	2,548,841
Account Payable		2,509,456	-
Withholding tax payable		-	11,110
		<u>2,820,295</u>	<u>2,559,951</u>

10 OTHER PAYABLE

Security deposit	10.1	<u>2,730,120</u>	<u>1,751,658</u>
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10.1 This represents amount deducted from the salaries of employees payable at the time of resignation of employees held as security.

	Note	2023 Rupees	2022 Rupees
11 ENDOWMENT FUND			
Opening balance		19,131,841	15,891,591
Funds received during the year		<u>5,722,000</u>	<u>3,240,250</u>
Closing balance		<u>24,853,841</u>	<u>19,131,841</u>

12 DONATIONS

Local donation		13,051,188	14,542,916
Foreign donation	12.1	13,290,000	22,925,750
Donation in kind	12.2	<u>386,858</u>	<u>-</u>
		<u>26,728,046</u>	<u>37,468,666</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.

12.2 This mainly represent donation received in form of uniform, text book and batteries for solar panels. These are valued by management on the basis of market price.

	Note	2023 Rupees	2022 Rupees
13 SCHOOL INCOME			
Monthly school fee		3,463,290	2,040,840
Admission fee		103,950	72,900
Computer center fee		78,900	13,350
Stitching center		<u>65,600</u>	<u>43,700</u>
		<u>3,711,740</u>	<u>2,170,790</u>

Reserve.

	Note	2023 Rupees	2022 Rupees
14 OTHER INCOME			
Profit on bank deposit		1,335,849	1,036,552
Gain on disposal of assets		7,569	412,064
Profit on short term investment		421,961	-
Liabilities written back	14.1	387,752	322,961
		<u>2,153,131</u>	<u>1,771,577</u>

14.1 This represents security deposit deducted from salaries of employees. These are written-off during the year for not serving adequate notice period at the time of resignation.

	Note	2023 Rupees	2022 Rupees
15 ADMINISTRATIVE AND EDUCATIONAL EXPENSES			
Salaries and benefits		34,088,170	23,752,110
Rent		3,054,462	2,453,133
Books, stationery and teaching		9,417,408	1,966,864
School uniform		1,436,581	1,241,918
Staff development and quality enhancement		1,300,676	1,057,970
Professional and legal		36,950	980,050
Transportation		984,614	637,429
School supplies/equipment		1,249,761	579,408
Food supplements		1,006,100	450,128
Repair and maintenance		732,809	447,941
Events		580,239	353,894
Office supplies/equipment		245,993	175,044
Sports equipment		145,942	43,540
Communication expenses		1,200	4,450
Utilities		507,364	262,619
Bank Charges		335,256	179,826
Depreciation	4	807,969	620,315
Scholarship expense		281,702	562,513
PKI. supllies & equipment		198,295	177,656
PKS Scholarships		9,760	-
Talecmabad Project		210,220	-
		<u>56,631,471</u>	<u>35,946,808</u>

Balance

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 :

	Managing Trustee	Trustees	Total
	-----Rupees-----		
2023:			
Managerial remuneration	-	-	-
House rent	-	-	-
Total	-	-	-
Number of persons	1	5	6
2022:			
Managerial remuneration	-	-	-
House rent	-	-	-
Total	-	-	-
Number of persons	1	5	6

16.2 No remuneration or benefits have been paid to Managing trustee and trustees.

17 NUMBER OF EMPLOYEES

The number of employees as at year end were 127 (2022: 103) and average number of employees during the year were 120 (2022: 96).

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
20 DEC 2023

20 GENERAL

Figures have been rounded off to the nearest rupee.
Rs 200.

TRUSTEE



TRUSTEE

