



JAMSHED AKHTER QURESHI EDUCATION TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2014

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.

AUDITORS' REPORT TO THE TRUSTEES

We have audited the accompanying balance sheet of **JAMSHED AKHTER QURESHI EDUCATION TRUST** as at June 30, 2014 and the related income and expenditure account and cash flow statement together with the notes forming part thereof for the year then ended (here-in-after referred to as the financial statements).

It is the responsibility of the trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the trust as at June 30, 2014 and of its surplus and cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Without qualifying our opinion, we draw your attention to note 5.1.1 to these financial statements which describe that the Trustees have replenished the loss of Trust money misappropriated by the ex-accountant of the Trust.

The financial statements of the trust for the year ended June 30, 2013 were audited by another firm of chartered accountants who had expressed unqualified opinion vide their report dated April 16, 2014.

ISLAMABADDATED: *January 05, 2015**Bdo ebrahim & co.*
CHARTERED ACCOUNTANTS
Engagement Partner: Iffat Hussain
Iffat Hussain

**JAMSHED AKHTER QURESHI EDUCATION TRUST
BALANCE SHEET AS AT JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property plant and equipments	4	1,978,920	1,558,830
CURRENT ASSETS			
Other receivables	5	147,670	875,309
Cash and bank balances	6	7,309,308	6,893,203
		<u>7,456,978</u>	<u>7,768,512</u>
TOTAL ASSETS		<u>9,435,898</u>	<u>9,327,342</u>
LIABILITIES			
CURRENT LIABILITIES			
Accrued liabilities		401,280	442,367
Short term loan		-	245,850
		<u>401,280</u>	<u>688,217</u>
NET ASSETS		<u>9,034,618</u>	<u>8,639,125</u>
REPRESENTED BY:			
General Fund		2,360,323	3,180,333
Restricted fund	7	-	141,297
Endowment fund	8	6,157,495	5,317,495
Deferred capital grant	9	516,800	-
		<u>9,034,618</u>	<u>8,639,125</u>

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

Advised.

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Munir Ahmad

TRUSTEE

Lahia Abdullah

**JAMSHED AKHTER QURESHI EDUCATION TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
INCOME			
Donations		7,262,311	7,393,964
School income		398,740	345,490
Amortization of restricted fund		141,297	77,515
Amortization of deferred capital grant		129,200	-
Bank profit		35,648	48,691
Exchange (loss) \ gain		(3,004)	354,497
		7,964,192	8,220,157
EXPENDITURE			
Administrative and Educational expenses	10	8,655,002	6,768,030
Amortization of deferred capital grant		129,200	-
(Deficit) / surplus for the year		<u>(820,010)</u>	<u>1,452,127</u>
Surplus brought forward		<u>3,180,333</u>	<u>1,728,206</u>
Surplus carried forward		<u><u>2,360,323</u></u>	<u><u>3,180,333</u></u>

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

Reviewed

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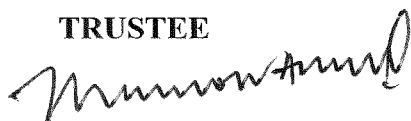
JAMSHED AKHTER QURESHI EDUCATION TRUST
CASH FLOW STATEMENT
AS AT JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		(820,010)	1,452,127
Adjustments for non cash items:			
Depreciation		465,910	315,823
Restricted grant recognised		(141,297)	(77,515)
Amortization of deferred capital grant		(129,200)	(851,521)
		<u>195,413</u>	<u>(613,213)</u>
(Deficit) / surplus before working capital changes		(624,597)	838,914
(Increase)/decrease in current assets			
Accrued markup		-	30,065
Other receivables		727,639	(390,736)
(Increase)/decrease in current liabilities			
Accrued liabilities		(41,087)	164,834
Short term loan		(245,850)	-
		<u>440,702</u>	<u>(195,837)</u>
Net cash generated from operating activities		<u>(183,895)</u>	<u>643,077</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(240,000)	(1,094,832)
Net cash used in investing activities		<u>(240,000)</u>	<u>(1,094,832)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Additions to endowment fund		840,000	1,123,925
Net cash generated from financing activities		<u>840,000</u>	<u>1,123,925</u>
Net increase in cash and cash equivalents		416,105	672,170
Cash and cash equivalents at beginning of the year		6,893,203	6,221,033
Cash and cash equivalents at the end of the year	6	<u><u>7,309,308</u></u>	<u><u>6,893,203</u></u>


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, 2014**

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 programmed 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.

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

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			D e p	r e c i a t i o n			Book value as at 30-06-2014
	As at 01-7-2013	Additions/ (Disposal)	As at 30-06-2014		Rate %	As at 01-7-2013	For the year 30-06-2014	
JAQ Trust own fund								
Motor vehicle	440,000	-	440,000	20%	378,048	61,952	440,000	-
Sheds/Steel polls	1,568,948	240,000	1,808,948	10%	265,059	180,895	445,954	1,362,994
Furniture and fixture	135,000	-	135,000	33%	134,550	450	135,000	-
Computer equipment	268,570	-	268,570	33%	82,400	88,628	171,028	97,542
Office equipment	14,500	-	14,500	33%	8,131	4,785	12,916	1,584
	2,427,018	240,000	2,667,018		868,188	336,710	1,204,898	1,462,120
Donor funded								
Motor vehicle	-	646,000	646,000	20%	-	129,200	129,200	516,800
	-	646,000	646,000		-	129,200	129,200	516,800
June 30, 2014	2,427,018	886,000	3,313,018		868,188	465,910	1,334,098	1,978,920
June 30, 2013	1,332,186	1,094,832	2,427,018		552,365	315,823	868,188	1,558,830

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	Note	2014 Rupees	2013 Rupees
5 OTHER RECEIVABLES			
Other receivable	5.1	-	875,309
Donation in hand	5.2	147,670	-
		<u>147,670</u>	<u>875,309</u>
5.1 Opening balance		875,309	-
Misappropriation during the year		347,793	875,309
		<u>1,223,102</u>	<u>875,309</u>
Replenished by the Trustees	5.1.1	(1,223,102)	-
		<u>-</u>	<u>875,309</u>

5.1.1 This represents loss of trust money misappropriated by the ex-accountant of the Trust, however, replenished by the Trustees during the year.

5.2 It represents the donation in hand and deposited in bank subsequent to the balance sheet date.

	Note	2014 Rupees	2013 Rupees
6 CASH AND BANK BALANCES			
Cash in hand		112,102	141,322
Cash at bank - Saving accounts			
Local currency		845,387	67,187
Foreign currency	6.1	6,351,819	6,684,694
		<u>7,309,308</u>	<u>6,893,203</u>

6.1 This represents 64,420.07 US Dollars (2013: US Dollars 67,796.08) converted at the rate prevailing at the balance sheet date.

	2014 Rupees	2013 Rupees
7 RESTRICTED FUND		
Opening balance	141,297	218,812
Income recognized during the year	(141,297)	(77,515)
Closing balance	<u>-</u>	<u>141,297</u>

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	Note	2014 Rupees	2013 Rupees
8 ENDOWMENT FUND			
Opening balance		5,317,495	4,193,570
Funds received during the year	8.1	840,000	1,123,925
Closing balance		<u>6,157,495</u>	<u>5,317,495</u>

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

	Note	2014 Rupees	2013 Rupees
9 DEFFERED CAPITAL GRANT			
Deferred Capital Grant received during the year		646,000	-
Amortization for the year	4	(129,200)	-
Closing balance		<u>516,800</u>	<u>-</u>

10 ADMINISTRATIVE AND EDUCATIONAL EXPENSES

Salaries and wages		5,251,126	3,754,268
Book, stationary and teaching aids		865,054	646,602
Food supplements		382,111	338,648
Communication expenses		58,372	51,020
Repair and maintenance-Infrastructure		239,894	309,195
Rent		273,700	292,900
Medical care		-	19,472
Events		49,423	275,441
Sports kit		-	13,130
School uniform		299,950	-
Utilities		13,853	16,240
Washing and cleaning		12,031	24,192
Scholarship support		27,700	50,334
Staff development & quality enhancement		201,500	18,041
Transportation		473,358	346,833
Legal and other fee		-	4,423
Other school operating expenses		111,360	177,454
Depreciation		336,710	315,823
Commission expense		-	17,581
Bank Charges		17,230	5,720
Miscellaneous expenses		41,630	90,713
		<u>8,655,002</u>	<u>6,675,304</u>

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue by the Board of Trustees of the trust on 05 Jan, 2015.

12 GENERAL

Figures have been rounded off to the nearest rupee.
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