

INDEPENDENT AUDITOR'S REPORT

To the members of The Punjab School Welfare Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Punjab School Welfare Trust (the Trust) that comprise the statement of financial position as at June 30, 2019 and income and expenditure statement for the year ended on that date and the related notes to the financial statements, including the accounting policies and other explanatory information and we state that, in our opinion, the financial statements present a true and fair view of the financial position of the Trust as at the end of the reporting period and of its financial performance for the year ended on that date in accordance with the accounting policies applied by the Trust and the provisions of the Companies Act, 2017.

**THE PUNJAB SCHOOL WELFARE TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2017 and the accounting policies adopted by the Trust.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Trust for the year ended June 30, 2019. These matters were addressed in the context of our audit of the financial statements as a whole and are not intended to provide a basis for an opinion on the financial statements as a whole. We are independent of the Trust in accordance with the provisions of the Companies Act, 2017 and the provisions of the Chartered Accountants Act, 1979 and we have fulfilled our responsibilities as auditors in accordance with the provisions of the Companies Act, 2017 and the provisions of the Chartered Accountants Act, 1979.

Information on Which Our Financial Statements and Auditor's Report Relies

The financial statements are prepared on the basis of the information provided to us by the management of the Trust. The management is responsible for the preparation and the presentation of the financial statements in accordance with the provisions of the Companies Act, 2017 and the provisions of the Chartered Accountants Act, 1979.

We are not a member of any professional body and we are not a member of any professional body in any other country.



INDEPENDENT AUDITOR'S REPORT

To the members of The Punjab School Welfare Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Punjab School Welfare Trust (the Trust) for the year ended June 30, 2019 and assets and liabilities as at that date. These financial statements include the balance sheet, the statement of financial position, the statement of financial performance, the statement of financial position and other explanatory information and we state our opinion thereon. Our opinion is based on our knowledge and belief.

**THE PUNJAB SCHOOL WELFARE TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Report on Compliance with the Companies Act, 2017

We have audited the financial statements of The Punjab School Welfare Trust (the Trust) for the year ended June 30, 2019 and assets and liabilities as at that date. These financial statements include the balance sheet, the statement of financial position, the statement of financial performance, the statement of financial position and other explanatory information and we state our opinion thereon. Our opinion is based on our knowledge and belief.

Information Disclosed in the Financial Statements and Auditor's Report Thereon

Management is responsible for the financial statements. The auditor's responsibility is to express an opinion on the financial statements based on the audit. The auditor's report is intended to provide information to the members of the Trust.



INDEPENDENT AUDITOR'S REPORT

To the members of "The Punjab School Welfare Trust".

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of "The Punjab School Welfare Trust (the trust) which comprise the statement of financial position as at June 30, 2019 and income and expenditure account, the statement of changes in funds for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to explanation given to us, the statement of financial position, income and expenditure account and the statement of changes in funds together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.



Responsibilities of Management for the Financial Statements

Management is responsible for preparation and fair presentation of the financial statements in accordance with the accounting standards as applicable in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan and for such internal control as 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.

Board of Members is responsible for overseeing the Trust's financial reporting process.

Auditor's 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 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 procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide audit 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 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 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 the board of members 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.

We also provide the board of members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

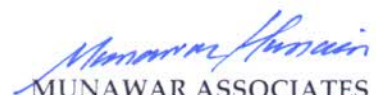
Based on our audit, we further report that in our opinion:

- a) Proper books of accounts have been kept by the Trust as required by the applicable accounting standards in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan;
- b) the statement of financial position, the income and expenditure account and the statement of changes in funds together with notes thereon have been drawn up in conformity with the applicable accounting standards in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan and are in agreement with the books of accounts and returns;
- c) investments made, expenditure incurred during the year were for the purpose of Trust's business; and
- d) No zakat was deductible at source under the Zakat and Usher Ordinance 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Munawar Hussain.

Lahore:

December 11, 2019


MUNAWAR ASSOCIATES
Chartered Accountants



THE PUNJAB SCHOOL WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Notes	2019 -----Rs-----	2018 -----Rs-----
CURRENT ASSETS			
Qarz-e-hasna and other advances	4	2,193,214	683,774
Short Term Investment	5	38,500,000	29,000,000
Cash at Bank	6	4,886,331	4,649,343
		<u>45,579,545</u>	<u>34,333,117</u>
CURRENT LIABILITIES			
Creditors	7	36,828	15,000
Net Current Assets		<u>45,542,717</u>	<u>34,318,117</u>
REPRESENTED BY:			
Unrestricted Fund		14,073,832	2,564,185
Restricted Funds		31,468,885	31,753,932
		<u>45,542,717</u>	<u>34,318,117</u>

The annexed notes 1 to 10 form an integral part of these Financial Statements.

None



CHAIRMAN


TRUSTEE

THE PUNJAB SCHOOL WELFARE TRUST
INCOME AND EXPENDITURE ACCOUNT
 For the Year Ended June 30, 2019

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
INCOME						
Donations	3,796,156	2,175,000	5,971,156	1,473,079	2,482,200	3,955,279
	3,796,156	2,175,000	5,971,156	1,473,079	2,482,200	3,955,279
EXPENDITURES						
Direct Project Expenses	3,721,306	2,175,000	5,896,306	1,457,079	2,482,200	3,939,279
Salary & Allowances	30,000	-	30,000	-	-	-
Audit fee	15,000	-	15,000	15,000	-	15,000
Legal & Professional Expenses	27,850	-	27,850	-	-	-
Financial charges	2,000	-	2,000	1,000	-	1,000
	3,796,156	2,175,000	5,971,156	1,473,079	2,482,200	3,955,279
Surplus/ (Deficit)	-	-	-	-	-	-

The annexed notes 1 to 10 form an integral part of these Financial Statements.


 CHAIRMAN


 TRUSTEE

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THE PUNJAB SCHOOL WELFARE TRUST
STATEMENT OF CHANGES IN FUNDS
AS AT JUNE 30, 2019

PARTICULARS	ACCUMULATED FUND		Total
	RESTRICTED FUND	UN- RESTRICTED	
	-----RUPEES-----		
Opening balance	31,753,932	2,564,185	34,318,117
Contribution during the year	1,889,953	15,305,803	17,195,756
Funds Utilised During the year	2,175,000	3,796,156	5,971,156
Funds transferred to restricted	-	-	-
Balance as at June 30, 2019	31,468,885	14,073,832	45,542,717

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The annexed notes 1 to 10 form an integral part of these Financial Statements.


 CHAIRMAN


 TRUSTEE

THE PUNJAB SCHOOL WELFARE TRUST

notes to the financial statements

For the Year Ended June 30, 2019

1 TRUST AND ITS OPERATION

1.1 THE PUNJAB SCHOOL WELFARE TRUST was created on 31st May 2017, under the TRUST ACT 1882 having its office at Sector C-1, Township, Lahore. The main objective of the TRUST is to provide financial support to the employees, student body of THE PUNJAB SCHOOLS and general public at large.

1.2 Restricted Fund

THE PUNJAB SCHOOL WELFARE TRUST is maintaining a restricted fund. The fund is maintained to strictly fulfill the Trust's objectives. The fund is governed by the rules approved by the Governing body of the trust.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Accounting and Financial reporting standards as applicable in Pakistan, the guideline for accounting and financial reporting by non-government organizations/ non profit organizations and the charter of The Punjab School Welfare Trust.

2.2 Accounting Convention

These Financial Statements have been prepared under the historical cost convention without any adjustment to the effects of Inflation with reference to Current Values.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Instruments

The trust classifies its financial assets in the following categories: loans and receivables and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

3.1.1 Investments held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortised cost.

3.1.2 Advances and other receivables

Advances and other receivables are stated at estimated realizable value after each debt has been considered individually.

3.2 Cash and cash equivalents

Cash and Cash Equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts.

3.3 Creditors, accrued and other liabilities

Accrued and other payables are carried at cost which is the fair value of the consideration to be paid in the future.

3.4 Provisions

Provisions are recognized in the balance sheet when the Trust has a present legal or constructive obligation as a result of past events, it is probable that an out flow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.5 REVENUE RECOGNITION

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the society and the amount of revenue and the associated cost incurred and to be incurred can be measured reliably.

i) Profit on saving accounts is recognized on receipt basis.

ii) Profit on investments is accrued on the basis of effective yield of respective investments.

3.6 TAXATION

No provision has been provided as the Punjab School Welfare Trust is exempt from tax. Under Section 100 C of the Income Tax Ordinance 2001.

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THE PUNJAB SCHOOL WELFARE TRUST

notes to the financial statements

For the period ended June 30, 2019

	2019	2018
	-----Rs-----	-----Rs-----
4 Qarz-e-Hasna & Other Advances		
Qarz-e-Hasna	1,031,921	192,450
Accrued Profit on Short Term Investment	565,904	223,139
Zakat Deduction	28,847	-
Advance Tax	566,542	268,185
	<u>2,193,214</u>	<u>683,774</u>
5 Investment		
<p>The Investments is made in Allied Bank Limited in the form of Term Deposit Receipts (TDR) of amount totalling Rs. 38,500,000/- with below details. The Investment is subjected for a period of 1 year with auto roll-over and profit payable on maturity with average profit rate of 9%.</p>		
6 Cash at Bank		
Current Account	4,886,331	4,649,343
	<u>4,886,331</u>	<u>4,649,343</u>
7 Creditors		
Audit fee	30,000	15,000
Accrued expenses	5,000	-
Income tax	1,828	-
	<u>36,828</u>	<u>15,000</u>
8 Direct Project Expenses		
Marriage grant	130,000	-
Financial grant	70,000	100,000
Staff medical grant	2,786,533	148,290
Educational grant	724,773	81,289
Funeral grant	10,000	-
Information technology grant	-	940,000
Others	-	187,500
	<u>3,721,306</u>	<u>1,457,079</u>
9 Financial Charges		
Bank charges	2,000	1,000
	<u>2,000</u>	<u>1,000</u>
10 General		

10.1 Figures have been rounded off to the nearest rupee.


CHAIRMAN

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TRUSTEE