

## INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF FOUNDATION FOR POOR SOULS

### Opinion

We have audited the financial statements of **Foundation for Poor Souls**, which comprise the statement of financial position as at June 30, 2018, the income and expenditure account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of the Foundation for Poor Souls is prepared, in all material respects, in accordance with cash receipts and expenditure basis of accounting.

### 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 Foundation 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 preparation of financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan 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.

### 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 cash receipts and expenditure basis of accounting, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.

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- 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.

*Junaidy Shoaib Asad*

Date: 02 MAR 2019

Lahore

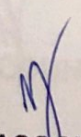
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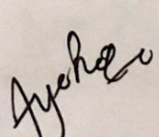


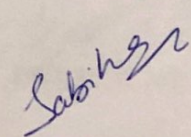
**FOUNDATION FOR POOR SOULS**  
**STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018**

	Notes	2018 Rupees	2017 Rupees
<b>ASSET</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	7,697,660	406,071
<b>CURRENT ASSETS</b>			
Receivables	5	155,894	216,000
Withholding tax		42,500	3,994
Cash and Bank Balances	6	1,306,372	103,090
		1,504,766	323,084
		<u>9,202,426</u>	<u>729,155</u>
<b>FUND AND LIABILITIES</b>			
<b>FUNDS</b>			
General Fund	7	285,579	317,310
Accumulated surplus		(182,864)	142,606
		102,716	459,916
<b>NON-CURRENT LIABILITIES</b>			
Payables	8	1,747,210	269,239
Deferred Income	9	7,352,500	-
		9,099,710	269,239
Contingencies & Commitments		<u>9,202,426</u>	<u>729,155</u>

Note: The annexed notes from 1-24 form an integral part of these financial statements.

  
ACCOUNTANT

  
GENERAL SECRETARY

  
PRESIDENT


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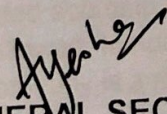


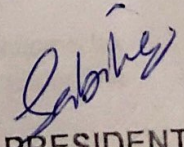
**FOUNDATION FOR POOR SOULS**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b><u>INCOME</u></b>			
Donation	10	3,973,977	1,170,000
Amortization of Deferred Income		1,297,500	-
		5,271,477	1,170,000
<b><u>EXPENDITURE</u></b>			
<b>Project Expenditure</b>			
General Public Utility	11	2,787,830	-
Salaries Wages & benefits	12	357,000	370,000
Advertisement & Marketing	13	113,500	88,000
Travelling & Conveyance	14	354,600	169,235
Depreciation	4	1,327,678	-
		4,940,608	627,235
<b>Administrative and Management Expenditure</b>			
Printing & Stationary	15	20,000	5,500
Utility Charges	16	80,000	74,500
Fee & Subscription	17	58,000	15,000
Repair and Maintenance	18	160,000	78,500
Office Supplies	19	120,000	110,000
Professional Charges	20	45,000	45,000
Depreciation	4	30,733	71,660
		513,733	400,160
(Deficit) /Surplus for the year		<b>(182,864)</b>	<b>142,606</b>

Note: The annexed notes from 1-24 form an integral part of these financial statements.

  
**ACCOUNTANT**

  
**GENERAL SECRETARY**

  
**PRESIDENT**





**FOUNDATION FOR POOR SOULS**  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

**Note 1**

**The Trust and its Operation**

**Nature and Status of the Foundation**

The Foundation was registered in Pakistan on July 08, 2010 as a foundation under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961 (XI.VI of 1961). The foundation's registered office is located at 1-E Model Town Lahore.

**Note 2**

**2.1 Statement of Compliance**

The Financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise for not for profit organization issued by the institute of Chartered Accountants of Pakistan.

**2.2 Accounting Convention**

The financial statements have been prepared under the historical cost convention.

**2.3 Functional and presentation currency**

These financial statements are prepared and presented in Pak Rupees which is Trust's functional currency. All figures have been rounded off to the nearest Pak Rupees.

**Note 3**

**Significant Accounting Policies**

**3.1 Property, plant and equipment's**

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any depreciation is charged to the income and expenditure over their expected useful life at the rates given in note 3.

Depreciation on additions is charged from the month in which the asset is available for the use up to the month in which the asset is disposed off. When an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

Property, plant and equipment received directly as grant are debited to property, plant and equipment at the fair value and a corresponding amount is credited to deferred income in the statement of financial position. Such items are thereafter depreciated as per the policy of the trust while a corresponding amount is transferred from deferred income to the income and expenditure statement.

**3.2 Income Taxes**

The amount of taxation has been calculated according to the provisions of the income tax ordinance 2001. The organization is allowed hundred percent tax credit under the provision of aforesaid ordinance as the company is a non profit organization.



4 PROPERTY, PLANT & EQUIPMENT

Sr.#	Description	.....Cost.....		Rate	.....Depreciation.....		W.D.V	
		01/07/2017	Addition / Deletion		01/07/2017	Charge For the year		30/06/2018
i)	Motor Vehicles	360,000	3,900,000	15%	158,813	615,178	773,991	3,486,009
ii)	Furniture & Fixtures	360,000	-	15%	155,117	30,732	185,849	174,151
iii)	Medical Equipments	-	4,750,000	15%	-	712,500	712,500	4,037,500
	<b>Rupees - 2018</b>	<b>720,000</b>	<b>8,650,000</b>		<b>313,930</b>	<b>1,358,411</b>	<b>1,672,340</b>	<b>7,697,660</b>
	<b>Rupees - 2017</b>	<b>720,000</b>	<b>-</b>		<b>242,270</b>	<b>71,660</b>	<b>313,930</b>	<b>406,071</b>

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**FOUNDATION FOR POOR SOULS**  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2018

**Note 5**  
**Receivables**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Advances to Vendors	32,400	36,000
Other Receivables	123,494	180,000
	<u>155,894</u>	<u>216,000</u>

**Note 6**

**Cash and bank balances**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Cash in hand	32,000	94,998
Cash at Bank	1,274,372	8,092
	<u>1,306,372</u>	<u>103,090</u>

**Note 7**

**General Fund**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
General Fund	285,579	317,310
	<u>285,579</u>	<u>317,310</u>

**Note 8**

**Payables**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Advances from Customers	323,450	269,239
Other Payables	1,423,760	-
	<u>1,747,210</u>	<u>269,239</u>

**Note 9**

**Deferred Income**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Opening balance	-	-
Addition during the year	8,650,000	-
Amortization for the year	(1,297,500)	-
	<u>7,352,500</u>	<u>-</u>





**FOUNDATION FOR POOR SOULS**  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2018

Note 10

**Donations**

	2018 Rupees	2017 Rupees
Through Bank		
Through Cash	2,864,480	390,000
	<u>1,109,497</u>	<u>780,000</u>
	<u>3,973,977</u>	<u>1,170,000</u>

Note 11

**General Public Utility**

	2018 Rupees	2017 Rupees
Education		
Health	733,590	-
Emergency Relief	1,375,800	-
	678,440	-
	<u>2,787,830</u>	<u>-</u>

Note 12

**Salaries, Wages & Benefits**

	2018 Rupees	2017 Rupees
Salaries, Wages & Benefits	357,000	370,000
	<u>357,000</u>	<u>370,000</u>

Note 13

**Advertisement & Marketing**

	2018 Rupees	2017 Rupees
Advertisement & Marketing	113,500	88,000
	<u>113,500</u>	<u>88,000</u>

Note 14

**Travelling & Conveyance**

	2018 Rupees	2017 Rupees
Travelling & Conveyance	354,600	169,235
	<u>354,600</u>	<u>169,235</u>

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**FOUNDATION FOR POOR SOULS**  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2018

**Note 15**  
**Printing & Stationary**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Printing & Stationary	20,000	5,500
	<u>20,000</u>	<u>5,500</u>

**Note 16**  
**Utility Charges**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Electricity		
Gas	35,817	39,000
Telephone & Internet	4,418	3,000
Water	22,091	18,500
Sewage	10,309	8,000
	7,365	6,000
	<u>80,000</u>	<u>74,500</u>

**Note 17**  
**Fee & Subscription**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Fee & Subscription	58,000	15,000
	<u>58,000</u>	<u>15,000</u>

**Note 18**  
**Repair & Maintenance**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Building	73,171	40,000
Furniture	-	20,000
Motor Bikes	51,829	18,500
Vehicles	35,000	
	<u>160,000</u>	<u>78,500</u>

**Note 19**  
**Office Supplies**

	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Office Supplies	120,000	110,000
	<u>120,000</u>	<u>110,000</u>



**FOUNDATION FOR POOR SOULS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Note 20

<b>Professional Charges</b>	<b>2018</b>	<b>2017</b>
	Rupees	Rupees
Professional Charges	45,000	45,000
	<u>45,000</u>	<u>45,000</u>

Note 21

<b>Number of Employees</b>	<b>2018</b>	<b>2017</b>
No. of employees at year end	17	15
Average no. of employees during the year	16	15

Note 22

**Contingencies and commitments**

Contingencies and commitments are accounted for when these become due. There are no known contingencies and commitments as at June 30, 2018 ( 2017: NIL ).

Note 23

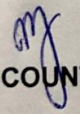
**Date of authorization for issue**

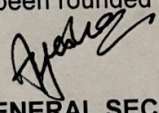
These financial statements have been authorized for issue by the governing council / board of directors of the Foundation on \_\_\_\_\_.

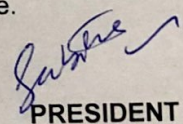
Note 24

**Figures**

In these financial statements have been rounded of to the nearest of Rupee.

  
**ACCOUNTANT**

  
**GENERAL SECRETARY**

  
**PRESIDENT**

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