

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of **PUBLICAN ALUMNI TRUST** (the Trust), which comprises the balance sheet as at June 30, 2017, and the income and expenditure account, cash flow statement and statement of changes in fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Revised Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSEs) issued by Institute of Chartered Accountants of Pakistan as notified by the SECP.

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.

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 Revised Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSEs) issued by Institute of Chartered Accountants of Pakistan as notified by the SECP, 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's 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 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.

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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.

Karachi: 28 OCT 2017


KRESTON HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner: Faiza Hanif


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PUBLICAN ALUMNI TRUST
BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Non-Current Assets			
Property, Plant & Equipment	3	8,039,822	8,787,112
		8,039,822	8,787,112
Current Assets			
Advance to Suppliers		-	2,000
Accrued interest		31,438	39,892
Prepaid Expense		200,000	-
Short term investments	4	9,000,000	4,000,000
Tax refundable from the Government		9,824	9,824
Cash & Bank balances	5	2,420,053	1,692,736
		11,661,315	5,744,452
Total Assets		19,701,137	14,531,564
Less: Current Liabilities			
Accrued liabilities	6	(57,173)	(55,872)
		(57,173)	(55,872)
Net Assets		19,643,964	14,475,692
General Fund			
Movement in General Fund			
Balance at the beginning of the year		14,475,692	12,286,344
Surplus for the year		5,168,272	2,189,348
		19,643,964	14,475,692

The annexed notes 1 to 11 form an integral part of these financial statements.


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**PUBLICAN ALUMNI TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees
Donations and grants	7	8,711,460	5,376,930
Other Income	8	1,157,090	670,130
Profit on Investments		210,382	92,133
		10,078,932	6,139,193
Less: Expenditure	9	(4,910,660)	(3,949,845)
Surplus for the year		5,168,272	2,189,348

The annexed notes 1 to 11 form an integral part of these financial statements.


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**PUBLICAN ALUMNI TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

	2017 Rupees	2016 Rupees
Surplus for the year	5,168,272	2,189,348
ADJUSTMENT FOR NON-CASH ITEMS		
Depreciation	945,482	1,005,102
	<u>6,113,754</u>	<u>3,194,450</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Changes in working capital		
(Increase) / Decrease in advances & receivables	2,000	(2,000)
(Increase) in Tax refundable from Government	-	(9,824)
(Increase) in Prepaid Expense	(200,000)	-
(Increase) / Decrease in accrued interest	8,454	(39,892)
Increase / (Decrease) in accrued expenses	1,301	(5,853)
Net cash flow from operating activities	5,925,509	3,136,881
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Investment	(5,000,000)	(4,000,000)
Additions to Property, Plant & Equipment	(198,192)	(611,740)
Net cash flow from investing activities	(5,198,192)	(4,611,740)
Net Increase / Decrease in cash & Cash Equivalent	727,317	(1,474,859)
Cash and cash equivalents at the beginning of the year	1,692,736	3,167,595
Cash and cash equivalents at the end of the year	<u>2,420,053</u>	<u>1,692,736</u>

The annexed notes 1 to 11 form an integral part of these financial statements.


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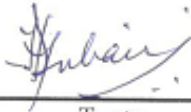
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PUBLICAN ALUMNI TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>GENERAL FUND</u>
Balance as at July 1, 2015	12,286,344
Surplus for the year	2,189,348
Balance as at June 30, 2016	<u>14,475,692</u>
Surplus for the year	5,168,272
Balance as at June 30, 2017	<u><u>19,643,964</u></u>

The annexed notes 1 to 11 form an integral part of these financial statements.



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**PUBLICAN ALUMNI TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

1. TRUST AND ITS OPERATIONS

Publican Alumni Trust was established on January 29, 2009 under a registered Trust Deed for the fundamental purpose and aim to mobilize participation and efforts by publicans across the world to support the cause of education, in the most comprehensive and qualitative sense. The principal office is situated at C 172 Sector 35 A Zaman Town Korangi, Karachi.

The trust's main activities are broadly aimed at:

- A. Providing financial support to deserving / or disadvantaged students;
- B. establishing educational infrastructure and research;
- C. enabling capacity building of teachers;
- D. Promoting extra curricular activities associated with education;
- E. Social welfare of the staff of schools covered by the trust deed;
- F. any other education related activities;
- G. running and management of the primary level school.

1.1 STATEMENT OF COMPLIANCE:

These financial statements have been prepared in accordance with the approved standards as applicable in Pakistan. Approved accounting standards comprise of Revised Accounting and Financial Reporting Standards for Small-Sized Entities (AFRS for SSEs) and Accounting Standard for Not for profit Organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements are prepared under the historical cost convention.

2.2 Donations, grants and accrued interest

Donations and grants are accounted for on receipt basis and bank profit on accrual basis.

2.3 Investments

Investments represent placement of funds in Term Deposits of Bank.

2.4 Taxation

The trust is established under the Trust Act, 1881. The trust deed was duly executed on January 29, 2009. The approval from Commissioner of Income for tax exemption has been obtained.

2.5 Property, Plant and Equipment:

These are stated at cost less accumulated depreciation. Depreciation is charged to income on reducing balance method, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month the asset is available for use upto the month prior to disposal. Maintenance and normal repairs are charged to income when incurred. Gain or loss on disposal of fixed assets is included in income directly.

3 PROPERTY PLANT AND EQUIPMENT

2017						
	Building	Furniture and Fixtures	Office Equipment	Computers	Library Book	Total
Rupees						
Net Carrying Value Basis as at June 30, 2017						
Opening Net Book Value	8,540,085	63,664	107,567	39,410	36,386	8,787,112
Additions	-	37,902	8,600	141,580	10,110	198,192
Depreciation	(854,009)	(12,918)	(16,860)	(52,733)	(8,962)	(945,482)
Closing Net Book Value	<u>7,686,076</u>	<u>88,648</u>	<u>99,307</u>	<u>128,257</u>	<u>37,534</u>	<u>8,039,822</u>
Gross Carrying Value Basis						
At June 30, 2017						
Cost	9,488,983	141,027	135,150	197,880	55,592	10,018,632
Accumulated Depreciation	(1,802,907)	(52,379)	(35,843)	(69,623)	(18,058)	(1,978,810)
Net Book Value	<u>7,686,076</u>	<u>88,648</u>	<u>99,307</u>	<u>128,257</u>	<u>37,534</u>	<u>8,039,822</u>
Annual Rates of Depreciation	10%	15%	15%	30%	20%	

2016						
	Building	Furniture and Fixtures	Electrical Fittings and Equipment	Computers	Library Book	Total
Rupees						
Net Carrying Value Basis as at June 30, 2016						
Opening Net Book Value	9,150,000	30,474	-	-	-	9,180,474
Additions	338,983	44,425	126,550	56,300	45,482	611,740
Depreciation	(948,898)	(11,235)	(18,983)	(16,890)	(9,096)	(1,005,102)
Disposals	-	-	-	-	-	-
Closing Net Book Value	<u>8,540,085</u>	<u>63,664</u>	<u>107,567</u>	<u>39,410</u>	<u>36,386</u>	<u>8,787,112</u>
Gross Carrying Value Basis						
At June 30, 2016						
Cost	9,488,983	103,125	126,550	56,300	45,482	9,820,440
Accumulated Depreciation	(948,898)	(39,461)	(18,983)	(16,890)	(9,096)	(1,033,328)
Net Book Value	<u>8,540,085</u>	<u>63,664</u>	<u>107,567</u>	<u>39,410</u>	<u>36,386</u>	<u>8,787,112</u>
Annual Rates of Depreciation	10%	15%	15%	30%	20%	

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		2017 Rupees	2016 Rupees
4	<u>SHORT TERM INVESTMENTS</u>		
	In Term Deposits with Askari Bank	9,000,000	4,000,000
		<u>9,000,000</u>	<u>4,000,000</u>
4.1	The yield on these instruments is 4.25% per annum with maturities up to three months on rollover basis.		
5	<u>CASH AND BANK BALANCES</u>		
	Cash in Hand	1,455	2,613
	Balance with Bank in Current account Askari Bank Limited	2,418,598	1,690,123
		<u>2,420,053</u>	<u>1,692,736</u>
6	<u>ACCRUED LIABILITIES</u>		
	Accrued expenses	12,173	10,872
	Audit fee payable	35,000	35,000
	Legal fee payable	10,000	10,000
		<u>57,173</u>	<u>55,872</u>
7	<u>DONATIONS AND GRANTS</u>		
	Donation / Contribution	5,616,440	4,300,042
	Donation in Kind	207,020	106,888
	Zakat donation	2,888,000	970,000
		<u>8,711,460</u>	<u>5,376,930</u>
8	<u>OTHER INCOME</u>		
	Admission Income	48,580	62,500
	Tuition Fee	554,610	294,925
	Income from the sale of Books and Copies	421,865	246,725
	Income from the sale of Printing & Stationary	54,850	43,030
	Income from the sale of Uniforms	71,185	22,950
	Membership Fee	6,000	-
		<u>1,157,090</u>	<u>670,130</u>



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9 EXPENDITURES

	2017 Rupees	2016 Rupees
Meeting Expenses (Re-union)	420,021	-
Tax Withholding	30,036	16,723
Bank Charges	2,494	700
Depreciation	945,482	1,005,102
School events	99,699	71,765
Sports and other academic expenses	7,060	9,013
Zakat expense	101,181	-
Entertainment Expenses	7,531	16,007
Salaries and benefits	2,062,728	1,773,007
Printing & stationary	110,470	122,715
Audit Fee	35,000	35,000
Legal Fee	10,000	10,000
Repair and Maintenance	67,039	52,037
Rates and Taxes	27,438	23,197
Communication expense	30,900	37,295
Milk and fruits for students	76,330	33,100
Uniform expenses	193,978	151,439
Electricity Gas and fuel	83,418	94,895
Educational Visits	-	16,166
Books and Copies	568,778	431,712
Sundries*	31,077	49,972
	<u>4,910,660</u>	<u>3,949,845</u>

10 NUMBER OF EMPLOYEES & GENERAL

10.1 Number of employees as at the year end was 18 (2016: 15).

10.2 Figures have been rounded off to the nearest rupee.

11 AUTHORIZATION FOR ISSUE

These Financial Statement were authorized for issue by Board of trustees in the meeting of the trust held on 28 OCT 2017


Trustee


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