

## Auditors' Report to the Trustees

We have audited the annexed balance sheet of the **Balqees Welfare Foundation** as at June 30, 2019 and the related revenue and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund together with the notes forming part thereof, for the period from September 07, 2018 to June 30, 2019 then ended.

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 generally accepted auditing standards. 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 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 **Balqees Welfare Foundation** as at June 30, 2019 and excess of surplus, comprehensive income and cash flow for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.

Place: Islamabad  
Dated: October 04, 2019



*Masoom Akhtar*  
**MASOOM AKHTAR & CO.**  
CHARTERED ACCOUNTANTS



**Balqees Welfare Foundation**  
**Statement of Financial Position as at June 30, 2019**

<b><u>Funds and liabilities</u></b>	<b><u>Note</u></b>	<b><u>2019</u></b> <b>(Rupees)</b>
<b>Fund account</b>	4	10,350,433
<b>Current liabilities</b>		
Accrued and other liabilities		-
<b>Contingencies and commitments</b>	5	-
		<u>10,350,433</u>
<b><u>Assets</u></b>		
<b>Non-current assets</b>		
<b>Current assets</b>		
Tax deducted at source		68,721
Cash at bank- Habib Metropolitan Bank Limited		<u>10,281,712</u>
		<u>10,350,433</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

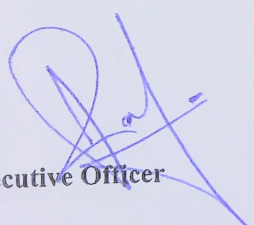
Director



**Balqees Welfare Foundation**  
**Revenue and Expenditure Account**  
**For the period from September 07, 2018 to June 30, 2019**

	<u>Note</u>	<u>2019</u> (Rupees)
<b><u>Revenue</u></b>		-
Less: <b><u>Expenditure</u></b>		
Programme activities	6	<u>13,868,550</u>
<b>Excess of (expenditure over revenue) from operational activities</b>		(13,868,550)
Donations	7	<u>14,085,513</u>
<b>Excess of revenue over expenditure for the period</b>		<u><u>216,963</u></u>

The annexed notes 1 to 9 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

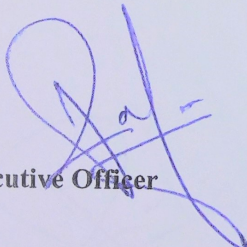


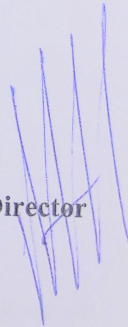
**Balqees Welfare Foundation**  
**Statement of Comprehensive Income**  
**For the period ended June 30, 2019**

**2019**  
**(Rupees)**

Excess of revenue over expenditures for the period	216,963
Other comprehensive income	-
<b>Total comprehensive income for the period</b>	<b><u>216,963</u></b>

The annexed notes 1 to 9 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director



**Balqees Welfare Foundation**  
**Statement of Changes in Fund**  
**For the period ended June 30, 2019**

	General fund account	Funds for specific purposes	Excess of revenue over expenditure	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 17, 2018	-	-	-	-
Total comprehensive income for the period				
Fund for specific purposes		10,133,470	-	10,133,470
Excess of revenue over expenditure for the period	-	-	216,963	216,963
<b>Balance as at June 30, 2019</b>	<b>-</b>	<b>10,133,470</b>	<b>216,963</b>	<b>10,350,433</b>

The annexed notes 1 to 9 form an integral part of these financial statements.

**Chief Executive Officer**

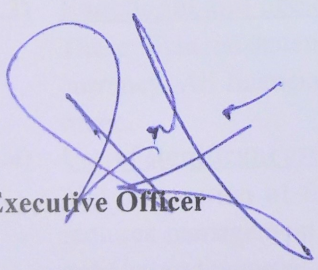
**Director**

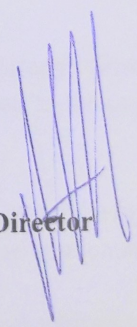


**Balqees Welfare Foundation**  
**Statement of Cash Flows**  
**For the period ended June 30, 2019**

	<u>2019</u> (Rupees)
<b>Cash flow from operating expenses</b>	
Excess of revenue over expenditure	216,963
Adjustment for:	
Non cash and non operating items	-
<b>Operating profit before working capital changes</b>	<u>216,963</u>
(Increase)/decrease in current assets:	(68,721)
Increase/(decrease) in current liabilities	-
<b>Net cash generated from operating activities</b>	<u>148,242</u>
<b>Cash flow from investing activities</b>	-
<b>Net cash (used)/generated in investing activities</b>	-
<b>Cash flow from financing activities</b>	-
Donations for specific purposes	<u>10,133,470</u>
<b>Net cash (used)/generated in financing activities</b>	<u>10,133,470</u>
<b>Net increase in cash and cash equivalents</b>	10,281,712
<b>Cash and cash equivalents at the beginning of the period</b>	-
<b>Cash and cash equivalents at the end of the period</b>	<u><u>10,281,712</u></u>

The annexed notes 1 to 9 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director



Balqees Welfare Foundation

Notes to the Financial Statements

For the period from September 07, 2018 to June 30, 2019

1. Status and objective

Balqees Welfare Foundation, a not for profit company established under Section 42 of the Companies Act, 2017, was incorporated on September 07, 2018 whereas Licence was granted under Section 42 by SECP on July 17, 2018 under the Companies Act, 2017. The office of the company is located at House No. 37, College Road, F-7/2, Islamabad.

The object of the company is to establish, maintain, aid, run, manage, support, assist and / or administer aid programmes providing relief and help to the needy, the poor and the destitute, undertake charitable and philanthropic activities for benefit of the mankind and work for alleviation of human sufferings from catastrophes.

2. Statement of compliance and significant accounting estimates

2.1) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2) Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

2.3) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4) Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards that requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.



## 2.5) New and amended standards and interpretations

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company:

		Effective date (annual reporting periods beginning on or after)
IAS 19	Employee Benefits (Amendments)	January 1, 2019
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2019
IAS 40	Investment Property (Amendments)	January 1, 2018
IFRS 2	Share-based Payment (Amendments)	January 1, 2018
IFRS 4	Insurance Contract (Amendments)	January 1, 2018
IFRS 9	Financial Instruments	July 1, 2018
IFRS 15	Revenue from contracts with customers	July 1, 2018
IFRS 16	Leases	January 1, 2019
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC 23	Uncertainty Over Income Tax	January 1, 2019

The management anticipates that, except as stated below, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9, 15 and 16 on its financial statements.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The following interpretations issued by the IASB have been waived off by the SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

## 3. Summary of significant accounting policies

The principal accounting policies which have been adopted in the preparation of these accounts are as follows:

### 3.1) Accounting estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised in any future periods affected.



3.2) Operating fixed assets

- Tangible operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any;
- Depreciation on operating assets is charged on reducing balance method;
- Depreciation on additions is charged from the month of the assets are available for use while no depreciation is charged in the month in which the assets are disposed
- Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss, if any, on disposal of fixed assets is included in current year's income.

3.3) Impairment

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

3.4) Cash and cash equivalents

These include cash in hand and cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3.5) Employees' retirement benefits

The company operates a non-contributory, unapproved and unfunded gratuity scheme for its employees. The amount of gratuity admissible shall be a sum equal to one month's basic salary for each year of satisfactory service completed. However, no provision has been provided in these accounts as company has no permanent employee at its strength.

3.6) Revenue recognition

Revenue and expenditures are recognized on actual receipt and payment basis.

3.7) Donation-in-kind

Donations-in-kind received has been valued and recorded at their estimated fair value as provided by the donor or, in absence of donor's valuation, at wholesale values estimated by the organization, at the time the goods are received from the donor.

3.8) Volunteer services

The efforts of volunteer workers are not reflected in the accompanying financial statements, in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the organization.

3.9) Provision for taxation

No provision for taxation has been made in these accounts as the income of the company is eligible for tax credit equal to one hundred percent under sub-section 2(d) and 2(f) of section 100C of the Income Tax Ordinance, 2001 being a charitable institution not for making profit.

2019  
(Rupees)

4. Fund account

Balance as on July, 01

Add: Excess of revenue over expenditure

Funds for specific purposes

-
216,963
<u>216,963</u>
10,133,470
<u>10,350,433</u>



5. Contingencies and commitments

a) Contingencies

Currently there are no contingencies against the company in foreseeable future.

b) Commitments

Currently there are no commitments made by the company.

2019  
(Rupees)

6. Programme activities

In cash	(6.1)	8,440,312
In kind	(6.2)	5,428,238
		<u>13,868,550</u>

6.1) In cash

Donation to needy families	6,700,000
Miscellaneous parties	709,672
School fees	608,690
Zakat	163,550
Health services	150,900
Hasna welfare	50,000
School transportation	37,500
Others	20,000
	<u>8,440,312</u>

6.2) In kind

Health services	2,600,000
Misc parties	1,300,000
Hasna welfare	750,000
Redo eyes welfare	200,000
Swab trust	200,000
School fees	178,238
Parents Voice Association	100,000
Society of handi capped	60,000
Chambeli Institute	40,000
	<u>5,428,238</u>

7. Donations

In cash	11,835,513
In kind	2,250,000
	<u>14,085,513</u>

8. The company is incorporated under Section 42 of the Companies Act, 2017 as a non-profit organization and is entitled 100% tax credit against its tax liability under Section 100 (C) of the Income Tax Ordinance, 2001.



9. Financial instruments and related disclosures

9.1) Financial assets and liabilities

2019		
Amortized cost	FVTPL	Total
(Rupees)		

Financial assets

Maturity up to one year

Cash at bank	10,281,712	-	10,281,712
	<u>10,281,712</u>	<u>-</u>	<u>10,281,712</u>

Maturity up to one year

-	-	-
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Maturity after more than one year

-	-	-
<u>-</u>	<u>-</u>	<u>-</u>

9.2) Risk management

a) **Concentration of credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The company believes that it is not exposed to major concentration of credit risk.

b) **Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently, the company has neither any foreign currency account nor carrying any transactions in foreign currencies.

c) **Interest mark-up rate risk**

Interest/mark-up rate risk is the risk that the value of financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest/mark-up rates arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be

d) **Liquidity risk**

Liquidity risk reflects company's inability in raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position and follow an effective cash management and planning policy to ensure availability of funds to take measure for new requirements.

e) **Fair value of the financial instruments**

Fair value is the amount for which an asset can be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair value.



f) **Fund management risk**

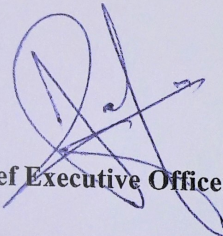
The board of directors monitor the fund required for sustainable operations. There were no changes to the approach to fund management during the period. The company is dependant on the donations in order to continue as going concern.

10. **Number of employees**

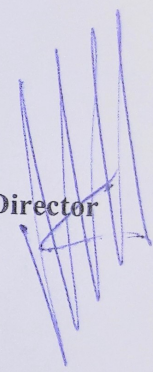
The total average number of employees for the year ended June 30, 2019 were Nil.

11. **Date of authorization for issue**

These financial statements have been authorized for issue on October 04, 2019 by the board of directors of the company. 人



**Chief Executive Officer**



**Director**