

**AVT SAWI**

**AUDITED ACCOUNTS  
AS AT JUNE 30, 2016**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS


We have audited the annexed balance sheet of **AVT SAWI (the Company)** as at June 30, 2016 and the related Income & Expenditure account, Cash Flow Statement & Statement of Changes in Equity together with the notes forming part thereof for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

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

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and after due verification thereof, we report that:

- a) In our opinion proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984.
- b) In our opinion:
  - i. The balance sheet, Income & Expenditure account, Cash Flow Statement & Statement of Changes in Equity together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied.
  - ii. The expenditure incurred during the year was for the purpose of company's business.
  - iii. The business conducted, investments made and the expenditure incurred during the year were in accordance with the object of the Company, and
- c) In our opinion and to the best of our information and according to the explanations give to us the balance sheet, Income & Expenditure account, Cash Flow Statement & Statement of Changes in Equity together with the notes forming part thereof, give the information required by the Companies Ordinance 1984 in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2016 and of its deficit, cash flows and changes in equity for the year then ended; and
- d) In our opinion, no Zakat was deductible at source under Zakat and Ushar Ordinance, 1980.

  
AZIM & CO.  
CHARTERED ACCOUNTANTS  
LAHORE  
October 08, 2016



# AVT SAWI

## Balance sheet as at June 30, 2016

	Note	2016 Rupees	2015 Rupees
<b>CURRENT ASSETS</b>			
Advance taxation			
Cash and Bank Balances	3	9,829 371,474	- 42,707
<b>CURRENT LIABILITIES</b>			
Loan from Directors		(1,000)	(1,000)
<b>NET CURRENT ASSETS</b>			
		380,303	41,707
<b>NON-CURRENT LIABILITIES</b>			
Loan from associated company	4	(5,032,989)	-
<b>NET ASSETS</b>			
		<u>(4,652,686)</u>	<u>41,707</u>
<b>REPRESENTED BY:</b>			
Accumulated (deficit)/surplus		(4,652,686)	41,707
		<u>(4,652,686)</u>	<u>41,707</u>

*James*  
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CHIEF EXECUTIVE

*C. ...*

DIRECTOR



# AVT SAWI

## Income and expenditure account

for the year ended June 30, 2016

	Note	2016	2015
		Rupees	Rupees
<b>RECEIPTS</b>			
Donations from others			
Donations from directors		1,679,423	41,757
		400,000	-
		2,079,423	41,757
<b>PROJECT EXPENSES</b>			
Food and eid packages distributions		67,798	-
Aiding flood victims		203,083	-
Eid ul adha		280,000	-
Earth quake 2015		281,366	-
Sewing centre 2015		3,515	-
Winter kits distribution		71,390	-
Aiding (Torghar)		150,178	-
Donations		1,183,454	-
Food and eid packages distributions		683,497	-
		2,924,281	-
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and benefits		3,703,008	-
Production cost		40,100	-
Repair and maintenance		20,700	-
Printing and stationery		39,278	-
Vehicle running and maintenance		36,170	-
Electricity		4,059	-
Sui gas		3,000	-
Legal and professional		2,820	-
Entertainment		400	-
Bank charges		-	50
		3,849,535	50
(Deficit)/surplus for the year before tax		(4,694,393)	41,707
Provision for taxation		-	-
(Deficit)/surplus for the year after tax		(4,694,393)	41,707
Accumulated surplus as at beginning of the year		41,707	-
Accumulated (deficit)/surplus as at end of the year		(4,652,686)	41,707

*Jhmer*

CHIEF EXECUTIVE



*C. Azim*

DIRECTOR

# AVT SAWI

## Statement of Cash flows

for the year ended June 30, 2016

	2016	2015
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus for the year before tax		
Income tax paid	(4,694,393)	41,707
Cash generated from operating activities	(9,829)	-
	<u>(4,704,222)</u>	<u>41,707</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Loan from Directors	-	1,000
Loan from associated company	5,032,989	-
Cash generated from financing activities	5,032,989	1,000
<b>INCREASE IN CASH AND CASH EQUILENTS</b>	<u>328,767</u>	<u>42,707</u>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<u>42,707</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<u>371,474</u>	<u>42,707</u>

CHIEF EXECUTIVE



DIRECTOR

**AVT SAWI**  
**Statement of Changes in Equity**  
*for the year ended June 30, 2016*

	(Rupees)	
	Surplus / (Deficit)	TOTAL
Accumulated surplus as at June 30, 2015	41,707	41,707
(Deficit)/surplus for the year after tax	(4,694,393)	(4,694,393)
Accumulated (deficit)/surplus as at June 30, 2016	<u>(4,652,686)</u>	<u>(4,652,686)</u>

CHIEF EXECUTIVE

DIRECTOR



# AVT SAWI

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2016

### 1. STATUS AND ACTIVITIES

AVT SAWI ("the Company") was incorporated as an association not having share capital without addition of the word ("Guarantee Limited") to its name under section 42 of the Companies Ordinance, 1984. The registered office of the Company is situated at House # 16, Street # 85, Sector G-6/4, Islamabad Islamabad Capital Territory (I.C.T.). The primary objective of the Company is to provide aid/grant programs to needy people.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

These accounts have been prepared under the "Historical Cost Convention".

#### 2.2 Statement of compliance

These financial statements have been prepared in accordance with the guideline for accounting and financial reporting by non-government organizations (NGOs) non-profit organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such international accounting standards as notified under the provisions of the Companies Ordinance, 1984. Where the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the relevant laws and said directives take precedence.

#### 2.3 Staff retirement benefits

The company operates an unfunded gratuity scheme covering all its employees and provision is made annually to cover the liability under the scheme. The provision has been made on the basis of the managements best estimate of the potential liability.

#### 2.4 Taxation

##### Current

The provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits and rebates available under the Income Tax Ordinance, 2001.

#### 2.5 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made to the amount of obligation.

#### 2.6 Operating fixed assets and depreciation

Operating fixed assets, except freehold land, are stated at cost less accumulated depreciation. Freehold land is stated at cost. Depreciation is charged to income applying the reducing balance method at the rates specified in operating fixed assets note. Depreciation on additions during the year is charged on the basis of whole year while no depreciation is charged on deletions during the year.

Normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and assets so replaced, if any, are retired.

Exchange difference in respect of loans obtained for the acquisition of fixed assets arising in case of severe devaluation or depreciation of currency on recent acquisition of assets are incorporated in the cost of relevant assets.

Gains and losses on disposal of assets are included in profit and loss account for the period.

#### 2.7 Foreign currency translation

Assets and liabilities in foreign currencies are translated into Pak rupees at the rates of exchange prevailing at the balance sheet date except those covered under forward exchange contract which are translated at the cover rate. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates.

#### 2.8 Accounting for leases

Assets subject to finance lease are initially recorded at lower of the present value of minimum lease payments under the lease agreement and the fair value of leased assets. The related obligation under the finance lease less financial charges allocated to future period are shown as liability. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged at the rates specified in the related note to write off the assets over the estimated useful life in view of the certainty of the ownership of the asset at the end of the lease period.

#### 2.10 Revenue recognition

Revenue is recognised on receipt of donations.

#### 2.11 FINANCIAL INSTRUMENTS

##### Financial assets

All financial assets have been stated in accordance with the requirement of IAS-39 (Financial Instruments: Recognition and measurement). Financial assets are initially recognized at their cost which is the fair value of the consideration given for them at the time when the Company becomes a party to the contractual provisions of the instruments and subsequent to initial recognition, financial assets are carried at fair value except any financial asset

A 'regular way' purchase or sale of financial asset are recognized using trade date accounting.



## AVT SAWI

### **Financial liabilities**

All financial liabilities are initially recognized at cost which is the fair value of consideration received at the time when the company becomes a party to the contractual provisions of the instruments. After initial recognition, financial liabilities are carried at fair value, amortized cost or original cost as the case may be.

### **Borrowings**

Loans and borrowings are recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Financial charges are accounted for on an accrual basis and are included in creditors, accrued and other liabilities to the extent of amount remaining unpaid, if any.

### **Accrued and other liabilities**

Accrued and other liabilities are stated at their cost.

### **Off setting**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statement when the company has a legally enforceable right to set off the recognized asset and liability or intend either to settle on net basis, or to realize the assets and settle the liabilities simultaneously.

### **De- recognition**

Financial assets are de-recognized from the balance sheet on the cessation of control of the contractual rights. Financial liabilities are de-recognized from the balance sheet when it is extinguished.

### **Recognition of gain / (loss)**

Gain or loss, if any on realization or settlement / subsequent measurement and derecognition of financial assets and liabilities is included in net profit and loss in the period in which it arises.

### **Impairment / Un-collectibility of financial assets**

An assessment is made at each balance sheet date to determine whether there is an evidence that the financial asset or the group of financial assets may be impaired. If such evidence exists, the estimated recoverable of the asset/assets is determined and impairment loss is recognised for the difference between the recoverable amount and the carrying amount.

#### **2.12 Impairment**

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of that asset or group of assets is estimated and impairment losses are recognised in the profit and loss account.

#### **2.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, with banks on current accounts.





# AVT SAWI

	Rs. 2016	Rs. 2015
<b>3 Cash &amp; Bank Balances</b>		
Cash at Bank-Current Accounts	371,474	42,707
Cash in Hand	-	-
	<u>371,474</u>	<u>42,707</u>
<b>4 Loan From Associated Company</b>		
Minimum Balance	-	-
Transaction during the year	-	-
Maximum Balance	5,032,989	-
	<u>5,032,989</u>	<u>-</u>

## 5 DATE OF AUTHORIZATION

These financial statements were authorised for issue by the Board of Directors in their meeting held on October 08, 2016.

## 6 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no significant re-classification has been made.

## 7 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE



DIRECTOR

