

**INDEPENDENT AUDITOR'S REPORT**

To the Members of AVT SAWI.

Report on the Audit of the Financial Statements

**Opinion**

We have audited the annexed financial statements of AVT SAWI (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of Income & expenditure, 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the surplus, for the year then ended.

**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 Company 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 Auditors' Report Thereon**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company'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 Company'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 Company'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 disclosure 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 Company 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 the board of directors 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.

#### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income & expenditure, with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Salman Azim

  
Azim & Co.  
Chartered Accountants  
Lahore:

October 08, 2019



# AVT SAWI

## Statement of Financial Position

As at June 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>CURRENT ASSETS</b>			
Advance taxation		51,591	20,148
Cash and bank balances		359,969	182,676
Other receivable		1,200,000	800,000
<b>CURRENT LIABILITIES</b>			
Loan from Directors		(1,000)	(1,000)
<b>NET CURRENT ASSETS</b>		<b>1,610,560</b>	<b>1,001,824</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan from associated company		(1,858,141)	(5,032,989)
<b>NET ASSETS</b>		<b>(247,581)</b>	<b>(4,031,165)</b>
<b>REPRESENTED BY:</b>			
Accumulated surplus		(247,581)	(4,031,165)
		<u>(247,581)</u>	<u>(4,031,165)</u>



CHIEF EXECUTIVE



DIRECTOR



# AVT SAWI

## Income and expenditure account

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>RECEIPTS</b>			
Donations from others		5,870,215	584,348
Funds Received from AVT Channels (Pvt) Ltd		-	1,145,160
		<b>5,870,215</b>	<b>1,729,508</b>
<b>PROJECT EXPENSES</b>			
Sunflower academy		996,381	309,140
Donations		19,250	30,000
		<b>1,015,631</b>	<b>339,140</b>
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and benefits		801,500	1,118,311
Entertainment		-	5,465
Miscellaneous		267,760	-
Bank charges		1,740	1,460
		<b>1,071,000</b>	<b>1,125,236</b>
Surplus for the year before tax		<b>3,783,584</b>	<b>265,132</b>
Provision for taxation		-	-
Surplus for the year after tax		<b>3,783,584</b>	<b>265,132</b>
Accumulated surplus as at beginning of the year		<b>(4,031,165)</b>	<b>(4,296,297)</b>
Accumulated surplus as at end of the year		<b>(247,581)</b>	<b>(4,031,165)</b>

  
CHIEF EXECUTIVE

DIRECTOR



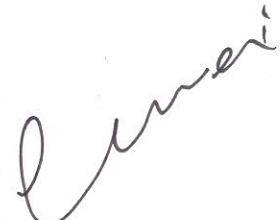
# AVT SAWI

## Statement of Cash flows

For the year ended June 30, 2019

	Note	2019	2018
		Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITES</b>			
Surplus for the year before tax		3,783,584	265,132
Income tax paid		(31,443)	(2,547)
Changes in working capital			
Other receivable		(400,000)	(400,000)
Cash generated used in operating activities		3,352,141	(137,415)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		(3,174,848)	-
INCREASE IN CASH AND CASH EQUIVALENTS		177,293	(137,415)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		182,676	320,091
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		359,969	182,676

  
CHIEF EXECUTIVE

  
DIRECTOR



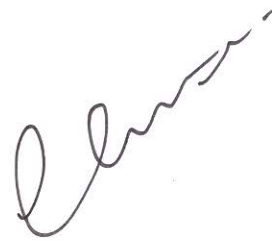
# AVT SAWI

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

	Surplus / (Deficit) <i>Rupees</i>	Total equity <i>Rupees</i>
Balance as at July 01, 2017	(4,296,297)	(4,296,297)
Profit before taxation	265,132	265,132
Balance as at June 30, 2018	<u>(4,031,165)</u>	<u>(4,031,165)</u>
Balance as at July 01, 2018	(4,031,165)	(4,031,165)
Profit before taxation	3,783,584	3,783,584
Balance as at June 30, 2019	<u>(247,581)</u>	<u>(247,581)</u>

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

  
CHIEF EXECUTIVE

  
DIRECTOR





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# AVT SAWI

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## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2019

### 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 Islamabad Capital Territory. 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.

##### Deferred

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the current rate of taxation. However, deferred taxation to certain extent is not provided if it can be established with reasonable probability that these timing difference will not reverse in foreseeable future. Deferred tax assets are recognised only to the extent that is probable that future taxable profits will be available against which the deferred asset can be adjusted.

#### 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

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.

### 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 equivalent comprise cash in hand, with banks on current accounts.



# AVT SAWI

## Notes to and forming part of financial statements

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>3 CASH AND BANK BALANCES</b>			
Cash at bank - <i>current account</i>		262,782	115,489
Cash in hand		97,187	67,187
		<u>359,969</u>	<u>182,676</u>
<b>4 LOAN FROM ASSOCIATED COMPANY</b>			
Minimum Balance		-	-
Transaction during the year		5,032,989	-
Maximum Balance		1,858,141	5,032,989
		<u>6,891,130</u>	<u>5,032,989</u>
<b>5 ADVANCES INCOME TAX</b>			
As at beginning of the year		20,148	17,601
Deducted during the year		31,443	2,547
		<u>51,591</u>	<u>20,148</u>

### 6 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 08, 2019 by the Board of Directors of the Association.

### 7 GENERAL

Figures have been rounded off to the nearest rupee.

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.

  
CHIEF EXECUTIVE



  
DIRECTOR