

**Khalid Majid Rehman**  
*Chartered Accountants*

**Ch. Adalat Hussain (Shaheed) Education School And Vocational /  
Technical Training Centre / Welfare Trust**  
Financial Statements  
For the year ended June 30, 2020

# **Khalid Majid Rehman**

Chartered Accountants  
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## **Independent Auditors' Report to the Trustees of Ch. Adalat Hussain (Shaheed) Education School And Vocational / Technical Training Centre / Welfare Trust**

### **Opinion**

We have audited the financial statements of Ch. Adalat Hussain (Shaheed) Education School And Vocational / Technical Training Centre / Welfare Trust ("The Society"), which comprise the statement of financial position as at June 30, 2020, the statement of income and expenditure, statement of changes in funds and statement of cashflows 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 Ch. Adalat Hussain (Shaheed) Education School And Vocational / Technical Training Centre / Welfare Trust as at June 30, 2020, of its financial performance, of its changes in funds and of its cashflows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

### **Basis of 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 society in accordance with the International Ethics Standard 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 the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, the Management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society 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 Society'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 Society'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 Society's 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.

Date:  
Islamabad

18 NOV 2020

  
**KHALID MAJID REHMAN**  
Chartered Accountants  
Engagement Partner: Khalid Majid

**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
TECHNICAL TRAINING CENTRE / WELFARE TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020**

	Note	2020 (Rupees)	2019 (Rupees)
<b>Non Current Assets:</b>			
Property, plant and equipment - received in kind	6	20,333,027	21,319,351
Property, plant and equipment	7	15,289,234	14,937,111
Term deposits		60,000,000	60,000,000
		95,622,261	96,256,462
<b>Current Assets</b>			
Income tax withheld	8	998,887	484,308
Cash and bank balances	9	4,895,294	1,791,542
		5,894,181	2,275,850
<b>Total Assets</b>		<b>101,516,442</b>	<b>98,532,312</b>
<b>Current Liabilities</b>			
Accrued and other liabilities	10	389,600	106,100
<b>NET ASSETS</b>		<b>101,126,842</b>	<b>98,426,212</b>
<b>Represented by:</b>			
General fund	11	26,095,476	20,944,212
Restricted fund	12	75,031,366	77,482,000
		101,126,842	98,426,212
<b>Contingencies and commitments</b>	16		

The Annexed notes 1 to 21 form an integral part of these financial statements.



Chairman  
**(Major Abdullah Mehmood (Retired))**  
Ch. Adalat Hussain (Shaheed) Education School and  
Vocational/Technical Training Centre/ Welfare Trust

CHAIRMAN



Finance Secretary  
**(Khalid Zubair Akbar)**  
Ch. Adalat Hussain (Shaheed) Education School and  
Vocational/Technical Training Centre/ Welfare Trust

TRUSTEE

**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
TECHNICAL TRAINING CENTRE / WELFARE TRUST  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Income</b>	<b>Note</b>	<b>2020 (Rupees)</b>	<b>2019 (Rupees)</b>
Donations		3,051,517	3,288,000
Income from savings account		194,933	10,626
Income from term deposits		6,261,189	791,507
Amortization of restricted capital grants	12.1	1,308,324	1,412,985
Amortization of grants received from FWO	12.2	1,287,008	1,457,350
Amortization of grants received from Khalid Rauf	12.3	177,302	-
Other income	13	1,296,390	767,712
		<b>13,576,663</b>	<b>7,728,180</b>
<b>Expenditure</b>			
General and administrative expenses	14	<b>(8,425,399)</b>	<b>(6,363,562)</b>
<b>Surplus before tax</b>		<b>5,151,264</b>	<b>1,364,618</b>
Provision for taxation	15	-	-
<b>Surplus for the year</b>		<b>5,151,264</b>	<b>1,364,618</b>

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**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
TECHNICAL TRAINING CENTRE / WELFARE TRUST  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	General Funds	Restricted Funds	Total Funds
	..... Rupees .....		
<b>Balance as at July 1, 2018</b>	19,579,594	-	19,579,594
Restricted capital grants received during the year	-	13,352,335	13,352,335
Restricted Grants received during the year from FWO	-	20,000,000	20,000,000
Restricted Grants received from Khalid Rauf	-	47,000,000	47,000,000
Amortization of restricted capital grants	-	(1,412,985)	(1,412,985)
Amortization of restricted grants received from FWO	-	(1,457,350)	(1,457,350)
Surplus for the year	1,364,618	-	1,364,618
<b>Balance as at June 30, 2019</b>	<b>20,944,212</b>	<b>77,482,000</b>	<b>98,426,212</b>
<b>Balance as at July 1, 2019</b>	20,944,212	77,482,000	98,426,212
Restricted capital grants received during the year	-	322,000	322,000
Restricted Grants received during the year from FWO	-	-	-
Restricted Grants received from Khalid Rauf	-	-	-
Amortization of restricted grants received from Khalid Rauf	-	(177,302)	(177,302)
Amortization of restricted capital grants	-	(1,308,324)	(1,308,324)
Amortization of restricted grants received from FWO	-	(1,287,008)	(1,287,008)
Surplus for the year	5,151,264	-	5,151,264
<b>Balance as at June 30, 2020</b>	<b>26,095,476</b>	<b>75,031,366</b>	<b>101,126,842</b>

The Annexed notes 1 to 21 form an integral part of these financial statements.



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**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
TECHNICAL TRAINING CENTRE / WELFARE TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

		2020	2019
	Note	(Rupees)	(Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year	11	5,151,264	1,364,618
<b>Adjustments for</b>			
Depreciation	14	3,144,182	3,242,985
Amortization of deferred capital grants	12.1	(1,308,324)	(1,412,985)
Amortization of grants received from FWO	12.2	(1,287,008)	(1,457,350)
Amortization of grants received from Khalid Rauf	12.3	(177,302)	-
Operating profit before working capital changes		<u>5,522,812</u>	<u>1,737,268</u>
<b>Changes in working capital</b>			
Increase in accrued liabilities		<u>283,500</u>	<u>106,100</u>
<b>Cash generated from operating activities</b>		<u>5,806,312</u>	<u>1,843,368</u>
Advance tax paid	8	(514,579)	(472,308)
<b>Net cash generated from operating activities</b>		<u>5,291,733</u>	<u>1,371,060</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from term deposits		60,000,000	-
Payments for purchase of term deposits		(60,000,000)	(60,000,000)
Payments for purchase of property, plant and equipment		<u>(2,187,981)</u>	<u>(14,767,111)</u>
<b>Net cash used in investing activities</b>		<u>(2,187,981)</u>	<u>(74,767,111)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Grants received from Khalid Rauf		-	47,000,000
Grants received from Frontier Works Organization		-	20,000,000
<b>Net cash generated in financing activities</b>		<u>-</u>	<u>67,000,000</u>
<b>NET CASH (USED)/GENERATED DURING THE YEAR</b>		<u>3,103,752</u>	<u>(6,396,051)</u>
<b>CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR</b>		<u>1,791,542</u>	<u>8,187,594</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	9	<u><u>4,895,294</u></u>	<u><u>1,791,542</u></u>

The Annexed notes 1 to 21 form an integral part of these financial statements.

  
Chairman  
**(Major Abdullah Mehmood (Retired))**  
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CHAIRMAN

  
Finance Secretary  
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**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
TECHNICAL TRAINING CENTRE / WELFARE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**1 Legal Status and Operations**

The CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL / TECHNICAL TRAINING CENTRE / WELFARE TRUST ("the Society") was established and registered under the Societies Registration Act, 1860 on May 09, 2017. The principal activities of the Society are to support / sponsor welfare schemes, programmes and activities in educational, medical and humanization mainly in Jhelum District. The registered office of the society is situated at Village Haji Aima, Post Office Kala Gujran, Tehsil & District Jhelum.

**2 Statement of Compliance**

These financial statements have been prepared in accordance with the approved accounting and financial reporting standards as applicable in Pakistan. Approved accounting and financial reporting standard comprise of Revised Accounting and Financial reporting Standards for Small-sized Entities (SSEs) issued by the Institute of Chartered Accountant of Pakistan (ICAP) and Accounting standards for Non for Profit Organizations issued by the ICAP.

**3 Basis of Measurement**

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

**4 Functional and presentation currency**

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Society's functional currency.

**5 Significant Accounting Policies**

**5.1 Property, plant and equipment and property, plant and equipment received in kind**

**Initial recognition**

All items of property, plant and equipment are initially recorded at cost.

**Subsequent measurement**

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment loss (if any).

**Depreciation**

Depreciation on property, plant & equipment is charged to the statement of income and expenditure by applying the reducing balance method so as to write off the cost / depreciation amount of the assets over their estimated useful life at the rates as specified in note 6 and note 7 to the financial statements. Depreciation on additions to property, plant & equipment is charged for the whole year irrespective of the month in which an item is put to use while no depreciation is charged for the year in which the item is derecognized/disposed off.

**Disposal**

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in the statement of income and expenditure.

**Impairment**

The management assesses at each statement of financial position date whether there is any indication that items of property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such items are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, items of property, plant and equipment are written down to their recoverable amounts and the resulting impairment loss is recognized in the Statement of income and expenditure. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the items of property, plant and equipment revised carrying amount over its remaining useful life.

**5.2 Accrued Liabilities**

Accrued liabilities are initially recognized at cost which is the fair value of consideration to be paid in future.

**5.3 Cash and cash equivalents**

Cash and bank balances are defined as cash in hand and in bank accounts which are readily convertible to known amount of cash and subject to insignificant risk of change in value.

**5.4 Fund Accounting**

The restricted funds comprise the voluntary contributions and grants for which donors have specified an intention to support a particular aspect of the society's activities. The surplus is held until they are fully expended or returned at the end of the respective grant period or disposed off according to the donor's instructions.

The unrestricted funds comprise the accumulated surplus of donations, voluntary contributions and grants for which donors have not specified any intention together with income accruing directly to those funds.

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**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**5.5 Income**

Income is recognized when it is probable that the economic benefits associated with the transactions will flow to the society and the amount of the income and the associated costs incurred or to be incurred can be measured reliably.

- (i) Cash donations / voluntary contributions are recognized on cash receipt basis;
- (ii) A grant that does not impose specified future performance conditions on the recipient is recognized in income when the grant proceeds are receivable.
- (iii) A grant that imposes specified future performance conditions on the recipient is recognized in income only when the performance conditions are met.

**5.6 Taxation**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date.

**5.7 Contingent liabilities**

A contingent liability is disclosed when the Society has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the society; or the society has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**5.8 Financial Instrument**

Financial assets and liabilities are recognized when the society becomes a party to the contractual provisions of the instrument and de-recognized when the society loses control of the contractual rights that comprise the financial assets and when the obligation specified in the contract is discharged, cancelled and expired. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These are subsequently measured at amortized cost.

**Impairment of Financial Assets**

A financial asset is impaired at each reporting date to ascertain whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. All impairment losses are recognized in the statement of income and expenditure. An impairment loss is reversed if the reversal can be related objectively to an event accruing that impairment loss was recognized.



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CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
TECHNICAL TRAINING CENTRE / WELFARE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

6 Property, plant and equipment - received in kind

P A R T I C U L A R S	C O S T				D E P R E C I A T I O N				W.D.V. As at June 30, 2020
	Opening Balance 1st July, 2019	Addition	Deletion	Closing Balance 30 June, 2020	Opening Balance 1st July, 2019	For The Year	Adjustment	Closing Balance 30 June, 2020	
Free hold land	9,380,000	-	-	9,380,000	-	-	-	-	9,380,000
Building	11,297,336	-	-	11,297,336	1,129,734	1,016,761	-	2,146,495	9,150,841
Furniture	192,250	-	-	192,250	28,838	24,512	-	53,350	138,900
Electric Equipment	1,212,750	62,000	-	1,274,750	181,913	163,926	-	345,839	928,911
Laboratory Equipment	-	260,000	-	260,000	-	39,000	-	39,000	221,000
Container Module	500,000	-	-	500,000	50,000	45,000	-	95,000	405,000
Fire Fighting Equipment	150,000	-	-	150,000	22,500	19,125	-	41,625	108,375
	22,732,336	322,000	-	23,054,336	1,412,985	1,308,324	-	2,721,309	20,333,027

6.1 The free hold land (having cost of Rs. 9,380,000) was received as a donation during the year ended June 30, 2018 and the remaining items of the Property, plant and equipment - received in kind (including the additions during the year) were received as restricted capital grants (the cost and written down value of these items as at June 30, 2020 are Rs. 13,674,336 & Rs. 10,953,026 respectively) and their relevant movement is shown in Note 12.1 of the financial statements.  
- Items costing Rs. 13,352,335 were received as restricted capital grant during the year ended June 30, 2019 from Mr. General Muhammad Afzal; and  
- Items costing Rs. 322,000 were received as restricted capital grant during this year from Mr. Colonel Fakhr-Ud-Din

P A R T I C U L A R S	C O S T				D E P R E C I A T I O N				W.D.V. As at June 30, 2019
	Opening Balance 1st July, 2018	Addition	Deletion	Closing Balance 30 June, 2019	Opening Balance 1st July, 2018	For The Year	Adjustment	Closing Balance 30 June, 2019	
Free hold land	9,380,000	-	-	9,380,000	-	-	-	-	9,380,000
Building	-	11,297,335	-	11,297,336	-	1,129,734	-	1,129,734	10,167,602
Furniture	-	192,250	-	192,250	-	28,838	-	28,838	163,412
Electric Equipment	-	1,212,750	-	1,212,750	-	181,913	-	181,913	1,030,837
Container Module	-	500,000	-	500,000	-	50,000	-	50,000	450,000
Fire Fighting Equipment	-	150,000	-	150,000	-	22,500	-	22,500	127,500
	9,380,000	13,352,335	-	22,732,336	-	1,412,985	-	1,412,985	21,319,351

  
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7 Property, plant and equipment

P A R T I C U L A R S	C O S T				D E P R E C I A T I O N				W.D.V As at June 30, 2020	
	Opening Balance	Addition	Deletion	Closing Balance	Rate	Opening Balance	For The Year	Adjustment		Closing Balance
	1st July, 2019			30 June, 2020		1st July, 2019				30 June, 2020
	(Rupees)									
Building	15,274,861	680,861	-	15,955,722	10%	1,527,487	1,442,824	-	2,970,311	12,985,411
Infrastructure	-	700,000	-	700,000	9%	-	35,000	-	35,000	665,000
Electrical equipment	335,000	21,830	-	356,830	15%	50,250	45,987	-	96,237	260,593
Office Equipment	-	34,310	-	34,310	15%	-	5,147	-	5,147	29,163
Laboratory Equipment	-	386,960	-	386,960	15%	-	58,044	-	58,044	328,916
Computer and Accessories	524,500	22,875	-	547,375	30%	157,350	117,008	-	274,358	273,017
Furniture and fixture	632,750	341,145	-	973,895	15%	94,913	131,848	-	226,761	747,134
	16,767,111	2,187,981	-	18,955,092		1,830,000	1,835,858	-	3,665,858	15,289,234

7.1 The amount incurred on Building during the financial year ended June 30, 2019 i.e. Rs. 13,000,000 (from the total cost as at June 30, 2020 amounting to Rs. 15,955,722) had been utilized from the Restricted Grant provided by FWO in this regard (Total Grant Amount: Rs. 13,000,000)

The relevant depreciation on this item is then amortized against the relevant grant amount, as shown in Note 12.2 of the financial statements.

7.2 The total amount incurred on the Computer and Accessories i.e. Rs. 547,375 has been utilized from the Restricted Grant provided by FWO in this regard (Total Grant Amount: Rs. 7,000,000)

The relevant depreciation on this item is then amortized against the relevant grant amount, as shown in Note 12.2 of the financial statements.

7.3 The amounts incurred on the Building i.e. Rs. 680,861 (from the total cost as at June 30, 2020 amounting to Rs. 15,955,722), on Furniture and fixture i.e. Rs. 341,145 (from the total cost as at June 30, 2020 amounting to Rs. 973,895) & on Laboratory equipment i.e. Rs. 386,960 (from the total cost as at June 30, 2020 amounting to Rs. 386,960) have been utilized from the Restricted Grant provided by Khalid Rafiq in this regard (Total Grant Amount: Rs. 47,000,000)

The relevant depreciation on this item is then amortized against the relevant grant amount, as shown in Note 12.3 of the financial statements.

P A R T I C U L A R S	C O S T				D E P R E C I A T I O N				W.D.V As at June 30, 2019	
	Opening Balance	Addition	Deletion	Closing Balance	Rate	Opening Balance	For The Year	Adjustment		Closing Balance
	1st July, 2018			30 June, 2019		1st July, 2018				30 June, 2019
	(Rupees)									
Building	-	15,274,861	-	15,274,861	10%	-	1,527,487	-	1,527,487	13,747,374
Electrical equipment	-	335,000	-	335,000	15%	-	50,250	-	50,250	284,750
Computer and Accessories	-	524,500	-	524,500	30%	-	157,350	-	157,350	367,150
Furniture and fixture	-	632,750	-	632,750	15%	-	94,913	-	94,913	537,837
	-	16,767,111	-	16,767,111		-	1,830,000	-	1,830,000	14,937,111

  
Chairman  
Major Abdullah Mehmood (Retired)  
Ch. Adalat Hussain (Shaheed) Education School and  
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Finance Secretary  
Khalid Zubair Ak  
Ch. Adalat Hussain (Shaheed) Education Sch.  
Vocational/Technical Training Centre/ Welfa:


CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
TECHNICAL TRAINING CENTRE / WELFARE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020


	Note	2020 (Rupees)	2019 (Rupees)
<b>8 Income tax withheld</b>			
Opening balance		484,308	12,000
Tax deducted by the bank		514,579	472,308
Closing balance		<u>998,887</u>	<u>484,308</u>
<b>9 Cash and bank balances</b>			
Cash in hand		17,000	17,328
Cash at bank			
Current account		1,115,423	1,152,050
Saving account	9.1	3,762,871	622,164
		<u>4,878,294</u>	<u>1,774,214</u>
		<u>4,895,294</u>	<u>1,791,542</u>
9.1 It carries mark-up at the rate ranging from 6.5-11.25% (2019: 8.75%).			
<b>10 Accrued and other liabilities</b>			
Utilities payable		7,500	-
Salaries payable		307,100	-
Audit fee payable		75,000	78,300
School fee received in advance		-	27,800
		<u>389,600</u>	<u>106,100</u>
<b>11 General fund</b>			
Opening balance		20,944,212	19,579,594
Surplus for the year		5,151,264	1,364,618
Closing balance		<u>26,095,476</u>	<u>20,944,212</u>
<b>12 Restricted fund</b>			
<b>Capital Grants</b>	12.1		
Opening Balance as at 1st July		11,939,350	-
Grants received during the year		322,000	13,352,335
Grants utilized during the year		(1,308,324)	(1,412,985)
Closing Balance as at 30th June		<u>10,953,026</u>	<u>11,939,350</u>
<b>Grants from FWO for Construction of Building</b>	12.2		
Opening Balance as at 1st July		11,700,000	-
Grants received during the year		-	13,000,000
Grants utilized during the year		(1,170,000)	(1,300,000)
Closing Balance as at 30th June		<u>10,530,000</u>	<u>11,700,000</u>
<b>Grants from FWO for Lab Equipment</b>	12.2		
Opening Balance as at 1st July		6,842,650	-
Grants received during the year		-	7,000,000
Grants utilized during the year		(117,008)	(157,350)
Closing Balance as at 30th June		<u>6,725,642</u>	<u>6,842,650</u>
<b>Grant from Mr. Khalid Rauf</b>	12.3		
Opening Balance as at 1st July		47,000,000	-
Grants received during the year		-	47,000,000
Grants utilized during the year		(177,302)	-
Closing Balance as at 30th June		<u>46,822,698</u>	<u>47,000,000</u>
<b>Total</b>		<u>75,031,366</u>	<u>77,482,000</u>

12.1 Capital grants represent Property, plant and equipments received in kind and is being amortized on the basis of depreciation charge of the respective assets as shown in Note 6 to the financial statements.

- Items costing Rs. 13,352,335 were received as restricted capital grant during the year ended June 30, 2019 from Mr. General Muhammad Afzal, and

- Items costing Rs. 322,000 were received as restricted capital grant during this year from Mr. Colonel Fakhr-Ud-Din.

  
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**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
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FOR THE YEAR ENDED JUNE 30, 2020**

12.2 Grant received from FWO has two components. Rs. 13,000,000 for construction of building and Rs. 7,000,000 for furnishing of labs. The amount for construction of building is fully utilized and is being amortized according to the rate of depreciation of building. Rs. 547,375 is utilized for Computer Lab from the amount donated for furnishing of labs (Cost of Computer Equipment as at July 1, 2019 was Rs. 524,500 and additions of Rs. 22,875 was made from the relevant grant) and is being amortized according to the rates of depreciation for computers and accessories, total depreciation charged on this item till June 30, 2020 amounts to Rs. 273,358 (Depreciation of Rs. 117,008 during the current year and balance of accumulated depreciation as at July 1, 2019 was Rs. 157,350) and funding of Rs 6,452,625 is still available as at June 30, 2020. The construction and furnishing of other labs is in process and remaining amount of grant shall be utilized in the same manner.

12.3 Grant received from Mr. Khalid Rauf is intended to be used for construction of 1st and 2nd floor of Trust Building, purchase of furniture and lab equipment and future expansion of Trust. So, the construction on the building during the year amounting to Rs. 680,861 (Depreciated expense is Rs. 68,086), the purchase of furniture for the building during the year amounting to Rs. 341,145 (Depreciation expense is Rs. 51,172) and the purchase of laboratory equipment during the year amounting to Rs. 386,960 (Depreciation expense is Rs. 58,044) will be amortized/adjusted against the grant received on the basis of their respective depreciation charge. Funding of Rs. 45,591,034 is still available as at June 30, 2020.

	Note	2020 (Rupees)	2019 (Rupees)
<b>13 Other income</b>			
Payments received for uniforms		-	51,000
Rent received from canteen		15,800	7,300
Income from vocational training course		132,740	8,000
Stationary charges		<u>1,147,850</u>	<u>701,412</u>
		<u>1,296,390</u>	<u>767,712</u>
<b>14 General and administrative expenses</b>			
Salaries		3,853,911	1,555,048
Bank charges		73,209	4,598
POL charges		-	2,180
Electricity		275,848	81,775
Telephone		90,930	22,398
FED		3,653	-
Advertisement		-	90,000
Entertainment		103,688	379,400
Fee and subscription		70,500	94,000
Uniform expense		-	134,500
Depreciation expense		3,144,182	3,242,985
Repair and maintenance		35,700	500
Legal and professional	14.1	132,100	188,500
Plants		202,700	-
Management		10,598	-
Tailoring course		17,674	-
Printing and stationery		348,197	507,210
Misc. expense		<u>62,509</u>	<u>60,468</u>
		<u>8,425,399</u>	<u>6,363,562</u>

14.1 Legal and professional charges also include audit fee amounting to Rs. 75,000 charged by M/s Khalid Majid Rehman Chartered Accountants (2019: Rs. 78,300).

**15 Provision for Taxation**

The society is in process of registering for 100% tax credit under section 100C of Income Tax Ordinance, 2001 as it has already obtained the PCP Certification and has been granted the status of a Non-Profit Organization under Section 2(36) of the Income Tax Ordinance 2001 by Federal Board of Revenue till 11th November 2021.

**16 Contingencies and Commitments**

No known contingencies and commitments exist as at statement of financial position date (2019: Nil)

  
Chairman  
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Ch. Adalat Hussain (Shaheed) Education School and  
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**CH. ADALAT HUSSAIN (SHAHEED) EDUCATION SCHOOL AND VOCATIONAL /  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**17 Transaction with Related Parties**

Related parties comprise of the members of the society, entities where members hold directorship, and other key management personnel. During the year ended June 30, 2020 reporting entity has entered into the following transactions with said related party.

	<u>Relationship</u>	<u>2020</u> <u>(Rupees)</u>	<u>2019</u> <u>(Rupees)</u>
<b>Transaction with Mian Khalid Rauf</b>			
Receipt of restricted grant	Member	-	47,000,000
Receipt of general donation		10,000	-
<b>Transaction with Lieutenant Colonel Fakhr-Ud-Din (Retired)</b>			
Receipt of restricted grant	Member	322,000	-
<b>18 Number of Employees</b>			
Total number of employees at the end of the year		<u>20</u>	<u>22</u>
Average number of employees during the year		<u>21</u>	<u>26</u>

**19 General**

Figures have been rounded off to the nearest Pakistan Rupee.


**20 Implications of COVID-19**

On 30th January 2020, The World Health Organization (WHO) declared the outbreak of a "Public Health Emergency of International Concern" and on 11th March 2020, the WHO declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, have taken stringent steps to help contain further spread of the virus. While these events and conditions have resulted in general economic uncertainty, management has evaluated the impact of COVID-19 and concluded that there are no material implications of COVID-19 on the operations of the Society that require specific disclosure in the financial statements. Neither the Society operations were significantly affected due to COVID-19 during the year nor is expected to be adversely affected in the near future. Further, COVID-19 has no impact on the presented amounts and disclosures.

**21 Date of Approval**

These financial statements have been approved by the members on

17-November-2020

  
Chairman  
**(Major Abdullah Mehmood (Retired))**  
Ch. Adalat Hussain (Shaheed) Education School and  
Vocational/Technical Training Centre/ Welfare Trust  
**CHAIRMAN**

  
Finance Secretary  
**(Khalid Zubair Akhtar)**  
Ch. Adalat Hussain (Shaheed) Education School and  
Vocational/Technical Training Centre/ Welfare Trust  
**TRUSTEE**