



INDEPENDENT AUDITORS' REPORT

TO THE EXECUTIVE COMMITTEE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "TAKMIL FOUNDATION", which comprise the statement of financial position as at **JUNE 30, 2020**, and statement of income and expenditure, statement of changes in funds and statement of cash flows 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 "TAKMIL FOUNDATION" as at **JUNE 30, 2020**, and its financial performance and its cash flows for the year ended in accordance with approved accounting and reporting standards as applicable in Pakistan for non - government organization (NGOs) / non - profit organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and Accounting and Financial Reporting Standards for Small Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) in 2015.

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 Foundation 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan for non - government organization (NGOs) / non - profit organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and Accounting and Financial Reporting Standards for Small Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) in 2015 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 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 to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 over the Foundation'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 date of our auditor's report. However, future events or conditions may cause the Project 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.

The engagement partner on the audit resulting in this independent auditors' report is **Mr. Junaid Subhani – FCA.**

Parker Randall A.J.S.
CHARTERED ACCOUNTANTS
FAISALABAD
September 24, 2020


**TAKMIL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**

	NOTE	2020 RUPEES	2019 RUPEES
NON CURRENT ASSETS			
Operating fixed assets	4	221,985	-
Intangible asset	5	25,412	-
		247,397	-
CURRENT ASSETS			
Cash and bank balance	6	251,207	69,320
TOTAL ASSETS		<u>498,604</u>	<u>69,320</u>
FUNDS AND RESERVES			
General funds		(796,396)	(150,680)
CURRENT LIABILITIES			
Short term borrowings	7	1,220,000	220,000
Trade and other payables	8	75,000	-
		1,295,000	220,000
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES		<u>498,604</u>	<u>69,320</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHAIRMAN


TALQINA ABBAS
FINANCE SECRETARY


GENERAL SECRETARY

**TAKMIL FOUNDATION
STATEMENT OF INCOME OR EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020**

		2020 RUPEES	For the period from March 25th, 2019 to June 30, 2019 RUPEES
INCOME	NOTE		
Donations	10	10,179,005	3,098,616
EXPENDITURE			
Project expenses	11	9,966,211	3,080,906
Administrative expenses	12	856,041	157,810
Finance cost	13	2,469	10,580
		10,824,721	3,249,296
Deficit for the year		(645,716)	(150,680)

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHAIRMAN


FINANCE SECRETARY


GENERAL SECRETARY

**TAKMIL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	2020 RUPEES	For the period from March 25th, 2019 to June 30, 2019 RUPEES
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net deficit for the year	(645,716)	(150,680)
Adjustment for non-cash / non-operating items		
Depreciation	55,698	-
Amortization	7,378	-
Finance cost	2,469	10,580
	<u>65,545</u>	<u>10,580</u>
Deficit before working capital changes	(580,171)	(140,100)
Increase / (Decrease) in current liabilities		
Trade and other payables	75,000	-
Cash used in operating activities	<u>(505,171)</u>	<u>(140,100)</u>
Finance cost paid	(2,469)	(10,580)
Net cash used in operating activities	<u><u>(507,640)</u></u>	<u><u>(150,680)</u></u>
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for operating fixed assets	(277,683)	-
Payments for website intangible	(32,790)	-
Net cash used in investing activities	<u><u>(310,473)</u></u>	<u><u>-</u></u>
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short term borrowings	1,000,000	220,000
Net cash generated from financing activities	<u><u>1,000,000</u></u>	<u><u>220,000</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year	69,320	-
A) Cash flows from operating activities	(507,640)	(150,680)
B) Cash flows from investing activities	(310,473)	-
C) Cash flows from financing activities	1,000,000	220,000
Cash and cash equivalents at the end of the year	<u><u>251,207</u></u>	<u><u>69,320</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHAIRMAN


FINANCE SECRETARY


GENERAL SECRETARY

**TAKMIL FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

Particulars	GENERAL FUNDS	TOTAL
	Unrestricted	Unrestricted
	RUPEES	RUPEES
Balance as at March 25th, 2019	-	-
Deficit for the period	(150,680)	(150,680)
Balance as at June 30, 2019	(150,680)	(150,680)
Balance as at July 01, 2019	(150,680)	(150,680)
Deficit for the year	(645,716)	(645,716)
Balance as at June 30, 2020	(796,396)	(796,396)

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHAIRMAN


TALQIRA ABBAS
FINANCE SECRETARY


GENERAL SECRETARY

TAKMIL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 General Information

1.1 Status and nature of activities

Takmil foundation was founded as a non-governmental, non-partisan, and non-political organization registered under the Societies Registration Act, XXI of 1860 on September 6th, 2018. The organization aims to provide basic literacy, primary and middle education to the out of school children (OOSC) using digital technology. Currently the foundation is providing education to out of school children (OOSC) in FATA, Peshawar, Khuzdar, Zhob, Jaffarabad, Quetta, Mirpurkhas, Khaniwal and Sadiqabad. The foundation has geographical outreach all over Pakistan in underprivileged and remote areas in four provinces (Punjab, Baluchistan, KPK and Sindh).

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Approved Accounting and Reporting Standards as applicable in Pakistan for non-government organization (NGOs) / non-profit organization (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and Revised Accounting and Financial Reporting Standard for Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Measurement and Basis of preparation of financial statements

These financial statements have been prepared under "historical cost convention" on accrual basis of accounting, except for cash flows information and donations which are stated at receipt basis.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupee, which is the Foundation's functional and reporting currency.

3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods in these financial statements.

3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the / acquisition of the assets. Subsequent cost are included in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably. All other maintenance charges are charged to the statement of income and expenditure as and when incurred.

Depreciation on all operating fixed assets is charged to income on the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in operating fixed asset's Note. The assets' residual values, if significant, and their useful lives are reviewed and adjusted, if appropriate and if impact on depreciation is significant, at each statement of financial position date. Depreciation on additions is charged from the month when the assets is available for use up to the month preceding the month of disposal.

Gain or loss on disposal of operating fixed assets are determined by comparing proceeds with the carrying amount. These are included in the statement of income or expenditure in the period in which they arise.

3.2 Intangibles assets

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the Foundation and cost of the asset can be measured reliably. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance date to assess whether it is in excess of its recoverable amount. Where the carrying amount exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.3 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand and at bank balances. Cash and

5 Intangible asset

PARTICULARS	C O S T			AMMORTIZATION			WDV AS AT JUNE 30, 2020	RATE %
	TOTAL AS AT 01-07-2019	ADDITIONS	TOTAL AS AT 30-06-2020	TOTAL AS AT 01-07-2019	FOR THE YEAR	TOTAL AS AT 30-06-2020		
Website	-	32,790	32,790	-	7,378	7,378	25,412	30
RUPEES	-	32,790	32,790	-	7,378	7,378	25,412	-
RUPEES 2019	-	-	-	-	-	-	-	-

6 Cash and bank balance

Cash in hand	1,845	62,033
Cash with bank		
- In current account	249,362	7,287
	<u>251,207</u>	<u>69,320</u>

7 Short term borrowings

Unsecured- interest free		
From related party (16)	1,220,000	220,000

7.1 These borrowings have been taken for urgent tasks of routine nature at Takmil foundation.

8 Trade and other payables

Auditor's remuneration	75,000	-
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9 Contingencies and commitments

There are no material contingencies and commitments existing at the end of the financial year (2019: Nil).

10 Donations

Local	5,480,708	1,688,527
Foreign	4,698,297	1,410,089
	<u>10,179,005</u>	<u>3,098,616</u>

11 Project expenses

Staff salaries and benefits	7,039,062	1,922,900
Learning equality	530,370	899,967
Training for teachers	390,835	-
Office rent	45,000	20,000
Printing and stationery	1,960,944	234,039
Miscellaneous	-	4,000
	<u>9,966,211</u>	<u>3,080,906</u>

12 Administrative expenses

Travelling and conveyance	601,650	43,857
Depreciation (4)	55,698	-
Amortization (5)	7,378	-
Advertisement	9,415	3,800
Auditor's remuneration	75,000	30,000
Legal and professional charges	106,900	80,153
	<u>856,041</u>	<u>157,810</u>

13 Finance cost

Bank charges	2,469	10,580
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14 Financial Instruments

Particulars	Non interest / Mark-up bearing		TOTAL	
	Maturity upto one year	Maturity after one year	2020	2019
Financial assets				
Cash and bank balances	251,207	-	251,207	69,320
Total	251,207	-	251,207	69,320
Financial liabilities				
Short term borrowings	1,220,000	-	1,220,000	220,000
Trade and other payables	75,000	-	75,000	-
Total	1,295,000	-	1,295,000	220,000

15 The number of employees of the organisation are as follows:

	2020 NUMBER	2019 NUMBER
Number of employees at the year end	<u>38</u>	<u>34</u>
Average employees during the year	<u>36</u>	<u>33</u>

16 Date of authorization

These financial statements were authorized for issue on **September 24, 2020** by the Executive Committee of the Foundation.

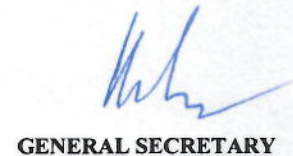
17 General

Corresponding figures have been re-arranged and reclassified for better presentation.

Figures have been rounded off to the nearest rupee.


CHAIRMAN


FINANCE SECRETARY


GENERAL SECRETARY