


## REPORT TO MEMBERS

We have examined the annexed balance sheet of the **Pace2life Welfare Foundation** as at **June 30, 2011** and the related income and expenditure account, together with the notes forming part thereof (here-in-after referred to as the financial statements for the year then ended).

It is the responsibility of the management of Foundation to establish and maintain a system of control and prepare and present the financial statements.

In our opinion and to best of our information and according the explanation given to us, the balance sheet and related income and expenditure account for the year ended **June 30, 2011** of **Pace2life Welfare Foundation** are in agreement with the books of accounts of the Foundation.



Salman Arshad  
Chartered Accountants  
Lahore

Pace2life Welfare Foundation

Balance Sheet

For the year ended June 30, 2011

	Note	2011 Rupees	2010 Rupees
Non current assets			
Property and equipment	5	27,796	14,546
		27,796	14,546
Current assets			
Cash and bank balances	6	4,778	500
		4,778	500
<b>Net Assets</b>		<b>32,574</b>	<b>15,046</b>
Represented by:			
Accumulated surplus		32,574	15,046
		32,574	15,046

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

Waqar Ahmed  
CHAIRMAN

Shabir Anad  
PRESIDENT

Pace2life Welfare Foundation

Income and expenditure account

For the year ended June 30, 2011

	Note	2011 Rupees	2010 Rupees
<b>Income</b>			
Donations	7	139,230	66,599
		139,230	66,599
<b>Expenditure</b>			
Project cost	8	119,467	51,823
Bank charges		2,215	-
		121,702	51,823
<b>Net surplus for the year</b>		<b>17,528</b>	<b>14,776</b>

The annexed notes 1 to 8 form an integral part of these financial statements.

  
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CHAIRMAN

  
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PRESIDENT

## Notes to the financial statements

### For the year ended June 30, 2011

#### 1 NATURE AND DETAIL OF PROJECT

Pace2life Welfare Foundation was established as a non-profit, non-religious, non-ethnic NGO. Pace2life was registered in September 2009 under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961). The main objectives of Pace2life is to revolutionize the point of view of disabled persons about themselves and the behaviour of society about the disabled persons.

It is situated at 1712-A, Koba Rehmat Raj, Tehsil Bazar, Bhati Gate Lahore.

#### 2 ACCOUNTING CONVENTION

These financial statements have been prepared under historical cost convention.

#### 3 BASIS OF PREPARATION

These financial statements have been prepared on the accrual basis of accounting.

#### 4 SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Property, plant and equipment

###### Operating assets - Owned

Property, plant and equipment is stated at cost or assessed values less accumulated depreciation and accumulated impairment losses, if any. Freehold land and capital work-in-progress are stated at cost or assessed values less impairment loss, if any.

Repairs and maintenance is charged to income and expenditure statement as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on disposals of assets, if any, are charged to income currently.

###### Depreciation

Depreciation on property, plant and equipment is charged on the reducing balance method so as to write off the depreciable amount of the assets over their expected useful lives at the rates mentioned in Note 6 to the financial statements. Residual values and the useful life of property, plant and equipment are reviewed at least at each financial year-end.

Full month's depreciation is charged in the month of purchase while no depreciation is charged in the month of disposal.

###### De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is charged to income in the year the asset is de-recognized.

##### 4.2 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate if any.

##### 4.3 Impairment

The carrying amounts of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the statement of income and expenditure. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income and expenditure.

## Notes to the financial statements

For the year ended June 30, 2011

**4.4 Donations**

Donations are recognized as income over the periods necessary to match them with the related cost which they are intended to compensate, on a systematic basis.

**4.5 Taxation**

Tax charge for current taxation is based on taxable income at the current rates of taxation after taking into account the applicable tax credits and tax rebates realized, if any. Provision for taxation has not been made during the year as the Foundation is in the process of obtaining exemption from tax authorities.

**4.6 Project costs**

These are stated at cost as and when actual expenses are incurred on project.

**5 PROPERTY AND EQUIPMENT**

Description	Equipment	Computers and Accessories	Furniture and Fixtures	Total
	Rupees			
<b>Cost</b>				
Balance as at July 01, 2010	-	2,100	14,200	16,300
Additions	2,700	15,000	-	17,700
<b>Balance as at June 30, 2011</b>	<b>2,700</b>	<b>17,100</b>	<b>14,200</b>	<b>34,000</b>
<b>Depreciation</b>				
Balance as at July 01, 2010	-	201	1,523	1,724
Charge for the year	473	1,442	2,535	4,450
<b>Balance as at June 30, 2011</b>	<b>473</b>	<b>1,643</b>	<b>4,058</b>	<b>6,204</b>
<b>Written down value as at 2011</b>	<b>2,227</b>	<b>15,457</b>	<b>10,142</b>	<b>27,796</b>
<b>Written down value as at 2010</b>	<b>-</b>	<b>1,899</b>	<b>12,677</b>	<b>14,546</b>
Rate of depreciation (%)	30	33	20	

	Note	2011 Rupees	2010 Rupees
	<b>6 CASH AND BANK BALANCES</b>		
Cash in hand		3,364	500
Cash at bank - p/a account		1,414	-
<b>Total</b>		<b>4,778</b>	<b>500</b>
<b>7 Donations</b>			
Donations (in Cash)		139,230	55,300
Donations (in Kind)		-	11,500
<b>Total</b>		<b>139,230</b>	<b>66,800</b>

Notes to the financial statements  
For the year ended June 30, 2011

	Note	2011 Rupees	2010 Rupees
<b>■ Expenditure</b>			
Office rent		20,790	18,900
Wheel Chair Distributed		11,200	-
Aid to flood victims		31,925	-
Postage, Telephone & Telegram		15,158	16,000
Repair and Maintenance		16,180	4,162
Conveyance, Traveling & Carriage		12,640	400
Printing & Stationery		4,090	6,245
Broachers printing		955	1,937
Miscellaneous		1,002	805
Website charges		1,000	1,000
Depreciation	5	4,450	1,754
<b>Total</b>		<b>119,487</b>	<b>51,523</b>

**■ GENERAL**  
Figures have been rounded off to the nearest rupee

*Waqar Ahmed*  
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CHAIRMAN

*Shahid Akmal*  
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PRESIDENT