



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 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 on 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 the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents 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.

CHARTERED ACCOUNTANTS

Dated: 05 MAR 2019

Lahore

Engagement Partner: Ahmad Salman Arshad

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

### Opinion

We have audited the financial statements of **Pace2life Welfare Foundation (the Foundation)** which comprise the statement of financial position as at June 30, 2018, income and expenditure account for the year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2018, and of its financial performance for the year then ended in accordance with the accounting and financial reporting framework as described in note 3 to the financial statements.

### Basis for 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 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 Statement

The Board of Directors is responsible for the preparation of the financial statements in accordance with the accounting and financial reporting framework as described in note 3 to the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, Board of Directors 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'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.



# Pace2life Welfare Foundation

Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)

## Notes to the Financial Statements For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>11 PROJECT COST</b>			
Office rent		72,000	72,000
Wheel chairs distributed		604,250	533,050
Distribution of awareness literature		-	7,300
Distribution of sewing machines		97,500	-
Catering expenses		21,912	28,618
Utilities		33,015	14,558
Consultancy and professional charges		15,000	-
Auditor's remuneration		10,000	-
Medical camp expenses		267,197	358,307
Postage, telephone and telegram		19,034	20,700
Repair and maintenance		72,962	30,545
Conveyance, traveling and carriage		144,168	182,931
Salaries and wages		772,000	513,500
Printing and stationery		89,308	117,112
Ramzan package		303,937	92,280
Depreciation	5	156,214	156,214
Website charges		1,000	1,000
Scholarship and educational expense		-	81,807
Food and entertainment		65,029	49,442
Miscellaneous		3,040	6,613
		<u>2,747,566</u>	<u>2,265,977</u>

### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitment to report at the reporting date.

### 13 DATE OF AUTHORIZATION FOR ISSUE

- These financial statements were authorized for issuance by the president of the entity on 05-03-2019.

### 14 GENERAL

*Sm* - Figures have been rounded off to the nearest rupee.

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CHAIRMAN

*FAISAL*

PRESIDENT

# Pace2life Welfare Foundation

Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)

## Notes to the Financial Statements For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>6 ADVANCE TAX DUE FROM GOVERNMENT</b>			
Withholding tax on cash withdrawals		<u>3,986</u>	<u>-</u>
		<u>3,986</u>	<u>-</u>
<b>7 CASH AND BANK BALANCES</b>			
Cash in hand		15,668	14,562
Cash at bank - PLS saving account	7.1	<u>948,380</u>	<u>43,863</u>
		<u>964,048</u>	<u>58,425</u>
7.1 This carries mark-up at the rate of 2.74% (2017: 2.31%).			
<b>8 ACCUMULATED SURPLUS</b>			
Opening balance		1,144,292	1,117,290
Surplus for the year		<u>828,639</u>	<u>27,001</u>
Closing balance		<u>1,972,931</u>	<u>1,144,292</u>
<b>9 ACCRUED LIABILITIES</b>			
Salaries payable		60,000	-
Utilities payable		4,970	-
Rent payable		6,000	-
Auditor's remuneration payable		<u>10,000</u>	<u>-</u>
		<u>80,970</u>	<u>-</u>
<b>10 DONATIONS-UNRESTRICTED</b>			
Donations		3,337,939	1,906,744
Donations in kind		<u>239,463</u>	<u>379,759</u>
		<u>3,577,402</u>	<u>2,286,503</u>

## Pace2life Welfare Foundation

Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)

### Notes to the Financial Statements For the year ended June 30, 2018

#### 5 OPERATING FIXED ASSETS

Description	June 30, 2018					Total
	Land	Equipment	Computers and accessories	Furniture and fixtures	Motor vehicles	

#### Cost

Balance as at July 01, 2017	470,000	25,900	30,650	68,700	745,000	1,340,250
Additions	-	-	-	-	-	-
<b>Balance as at June 30, 2018</b>	<b>470,000</b>	<b>25,900</b>	<b>30,650</b>	<b>68,700</b>	<b>745,000</b>	<b>1,340,250</b>

#### Depreciation

Balance as at July 01, 2017	-	18,120	22,809	32,408	24,833	98,170
Charge for the year	-	2,334	2,588	7,258	144,033	156,214
<b>Balance as at June 30, 2018</b>	<b>-</b>	<b>20,454</b>	<b>25,396</b>	<b>39,667</b>	<b>168,867</b>	<b>254,383</b>

<b>Written down value as at 2018</b>	<b>470,000</b>	<b>5,446</b>	<b>5,254</b>	<b>29,033</b>	<b>576,133</b>	<b>1,085,867</b>
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Rate of depreciation %		30%	33%	20%	20%	
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Description	June 30, 2017					Total
	Land	Equipment	Computers and accessories	Furniture and fixtures	Motor vehicles	

#### Cost

Balance as at July 01, 2016	-	25,900	30,650	68,700	745,000	870,250
Additions	470,000	-	-	-	-	470,000
<b>Balance as at June 30, 2017</b>	<b>470,000</b>	<b>25,900</b>	<b>30,650</b>	<b>68,700</b>	<b>745,000</b>	<b>1,340,250</b>

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# **Pace2life Welfare Foundation**

*Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)*

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## **Notes to the Financial Statements For the year ended June 30, 2018**

### **4.7 Project costs**

These are stated at cost as and when actual expenses are incurred on project, including staff training and other project operational expenses.

### **4.8 Cash and cash equivalents**

Cash and cash equivalents are carried at cost and comprise of cash in hand and bank balances.

### **4.9 Unrestricted funds**

Grants represent unrestricted fund that is not subject to donor-imposed restriction, normally used to meet the working capital requirements of the entity.

Unrestricted grants are recognized on receipts basis directly in the income and expenditure

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# Pace2life Welfare Foundation

*Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)*

## Notes to the Financial Statements

### For the year ended June 30, 2018

Repairs and maintenance are charged to income 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.

#### 4.2 Provisions

Provisions are recognized when the Company 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 reporting date and adjusted to reflect current best estimate if any.

#### 4.3 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting 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.

#### 4.4 Revenue Recognition

Revenue from the provision of any services is recognized on the accrual basis.

Income from saving bank accounts is recognized on the time proportionate basis.

Revenue from other sources is recognized when the right to receive is established.

#### 4.5 Grants / donations

Grants are recognized as income over the period necessary to match them with the related costs which they are intended to compensate on systematic basis. The Grant receivable as compensation for expenses or loss already incurred or for the purpose of giving immediate financial support with no future related costs is recognized as income in the period in which it becomes receivable.

Donation is recognized when right to receive is established.

Utilization of grants / donations is restricted to specific purpose as agreed with the donors.

Grants received for acquiring property, plant and equipment are taken to deferred grants and are amortized over the useful lives of the assets in accordance with the terms of agreement with the donors.

#### 4.6 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. The Entity enjoys 100 percent tax credit under section 100 C of the Income tax ordinance, 2001.



# Pace2life Welfare Foundation

*Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)*

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## Notes to the Financial Statements

For the year ended June 30, 2018

### 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 behavior of society about the disabled persons.

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

### 2 ACCOUNTING CONVENTION

These financial statements have been prepared under historical cost convention.

### 3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the guidelines for accounting and financial reporting by non-government organizations (NGOs)/non-profit organization (NPOs).

### 4 SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Operating fixed assets

##### 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 5 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.

##### Operating assets - Donated

Property, plant and equipment, not returnable to the donors, are stated at assessed values less accumulated depreciation on the basis of contractual arrangements with the relevant donors. Depreciation is charged over their expected useful lives at the rates mentioned in Note 5 to the financial statements.





## Pace2life Welfare Foundation

Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)

### Statement of Financial Position For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>Non current assets</b>			
Operating fixed assets	5	1,085,867	1,085,867
		<u>1,085,867</u>	<u>1,085,867</u>
<b>Current assets</b>			
Advance tax due from Government	6	3,986	-
Cash and bank balances	7	964,048	58,425
		<u>968,034</u>	<u>58,425</u>
<b>Total assets</b>		<u><u>2,053,901</u></u>	<u><u>1,144,292</u></u>
<b>Represented by:</b>			
Accumulated surplus	8	1,972,931	1,144,292
		<u>1,972,931</u>	<u>1,144,292</u>
<b>Current liabilities</b>			
Accrued liabilities	9	80,970	-
		<u>80,970</u>	<u>-</u>
<b>Total surplus and liabilities</b>		<u><u>2,053,901</u></u>	<u><u>1,144,292</u></u>
<b>Contingencies and commitments</b>	12		

*The annexed notes 1 to 14 form an integral part of these financial statements.*

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CHAIRMAN

*FAISAL*

PRESIDENT

## Pace2life Welfare Foundation

Registered under the Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961)

### Income and Expenditure Account For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>Income</b>			
Donations	10	3,577,402	2,286,503
Profit on bank deposit		3,256	6,475
		3,580,658	2,292,978
<b>Expenditure</b>			
Project cost	11	(2,747,566)	(2,265,977)
Bank charges		(4,453)	-
		(2,752,019)	(2,265,977)
<b>Net surplus for the year</b>		<b>828,639</b>	<b>27,001</b>

*The annexed notes 1 to 14 form an integral part of these financial statements.*

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CHAIRMAN

*[Handwritten Signature]*

PRESIDENT