

FALAH-E-DARAIN TRUST (REGD)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014

ARSHAD RAHEEM & Co
Chartered Accountants

YOUSAF ISLAM HOUSE
39-Link Farid Kot Road,
Near A.G. Office, LAHORE.
Tel: (92-42) 37236169 - 37236170
Fax: (92-42) 37236168
E-mail: arshad.raheem@gmail.com


AUDITORS' REPORT TO MANAGEMENT COMMITTEE

We have audited the annexed balance sheet of the **Falah-E-Darain Trust (REGD)** as at **June 30, 2014** 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 committee to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements presents fairly in all material respects the financial position of the **Falah-E-Darain Trust (REGD)** as at **June 30, 2014** and of it surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.


ARSHAD RAHEEM & CO
Chartered Accountants
Arshad Raheem

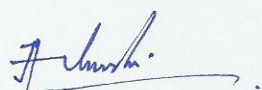
LAHORE: 11 0 DEC 2014

FALAH-E-DARAIN TRUST (REGD)

BALANCE SHEET AS AT JUNE 30, 2014

	NOTE	2014	2013
		RUPEES	RUPEES
Operating Fixed Assets	3	8,331,440	9,083,142
Long Term Deposits		2,500	2,500
Current Asset			
Short Term Investments	4	11,550,000	7,550,000
Cash and Bank Balances	5	684,743	1,848,697
		<u>12,234,743</u>	<u>9,398,697</u>
		<u>20,568,683</u>	<u>18,484,339</u>
Fund Account	6	20,468,683	18,484,339
Current Liabilities			
Other payable		<u>100,000</u>	<u>-</u>
		<u>20,568,683</u>	<u>18,484,339</u>

The annexed notes form an integral part of these financial statements


(CHAIRMAN)

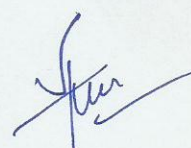

(SECRETARY)

FALAH-E-DARAIN TRUST (REGD)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014

INCOME	NOTE	2014 RUPEES	2013 RUPEES
Donations		1,927,323	1,537,197
Zakat		2,293,270	2,179,836
School fees		730,775	647,715
Profit on investment		153,841	501,611
Miscellaneous		202,160	204,935
		<u>5,307,369</u>	<u>5,071,294</u>
EXPENDITURES			
Staff salaries		1,669,915	1,219,952
School uniform		-	152,465
School books for students		50,113	61,057
Computer accessories		11,420	37,760
Printing and stationery		183,319	167,823
Fee and subscription		50,000	20,000
Utilities		154,720	108,294
Traveling and conveyance		73,013	50,784
Bank charges		1,341	504
Repair and maintenance		196,704	140,345
Communication expense		13,280	9,330
Depreciation	(3)	902,277	990,140
Miscellaneous. expense		16,923	18,355
Total expense		<u>3,323,025</u>	<u>2,976,809</u>
Surplus for the year carried to fund account	(6)	<u>1,984,344</u>	<u>2,094,485</u>

The annexed notes form an integral part of these financial statements


(CHAIRMAN)


(SECRETARY)

**FALAH-E-DARAIN TRUST (REGD)
RECEIPTS AND PAYMENT ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014**

RECEIPTS

	2014 Rupees	2013 Rupees
Opening balance	46,109	12,455
Cash in hand	1,802,588	862,585
Cash at bank	1,848,697	875,040

PAYMENTS

	2014 Rupees	2013 Rupees
Capital Payments		
Furniture and fixtures	21,700	-
Sewing machines	128,875	565,917
Building	-	15,172
Machinery	4,000,000	2,000,000
Short term investments	4,150,575	2,581,089

Revenue Receipts

Donations	1,927,323	1,537,197
Zakat	2,293,270	2,179,836
School fees	730,775	647,715
Profit on investment	153,841	501,611
Miscellaneous	202,160	204,935
Receipt against advance	5,307,369	5,071,294
	-	470,000

Revenue Payments

Salaries and benefits	1,569,915	1,219,952
School uniform	-	152,344
School books for students	50,113	61,057
Computer accessories	11,420	37,760
Printing and stationery	183,319	167,823
Fee and subscription	50,000	20,000
Utilities	154,720	108,294
Traveling and conveyance	73,013	50,784
Bank charges	1,341	504
Repair and maintenance	196,704	140,345
Communication expense	13,280	9,330
Miscellaneous. expense	16,923	18,355
	2,320,748	1,986,548

Closing balance

Cash in hand	11,799	46,109
Cash at bank	672,944	1,802,588
	684,743	1,848,697
	7,156,066	6,416,334


(CHAIRMAN)


(SECRETARY)
Office

FALAH-E-DARAIN TRUST (REGD)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2014

1. TRUST BACKGROUND AND LEGAL STATUS

The trust was registered under the Trust Act, 1860 on January 17, 2002. The object of the Trust is to establish model educational institutes for the deserving and needy children and to equip them with technical skills.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These accounts have been prepared on receipts and disbursements basis. Income is recognized when received and expenses are recognized when paid.

2.2 Accounting convention

The financial statements has been prepared under the historical cost convention modified by adjustment of revaluation of certain investments as referred to in Note 4.

2.3 Foreign currency translation

Assets and liabilities in foreign currency are translated at the rates of exchange ruling on the balance sheet date, while foreign currency transactions are converted into Pak rupees at exchange rates prevailing on the date of transaction. All exchange gains/losses are taken to income and expenditure account.

2.4 Operating fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged to income by applying reducing balance method at the rates specified in Note 3 to these accounts. A full year's depreciation is charged on assets acquired during the year, whereas no depreciation is charged in the year of disposal.

Normal repair and maintenance are charged to income as and when incurred.

2.5 Taxation

The receipt of the Trust are exempt from income tax under section 2(36) of the Income Tax Ordinance, 2001 and Rule 212 of the Income Tax Rules, 2002. The approval granted under Rule 212 will remain in force for the subsequent years unless withdrawn under Rule 217.

3. OPERATING FIXED ASSETS

PARTICULARS	C O S T			DEPRECIATION			Written down value as at 30 June 2014	Rate %
	As at 01 July 2013	Additions / (deletion)	As at 30 June 2014	As at 01 July 2013	For the year / (adjustment)	As at 30 June 2014		
Land	359,100	-	359,100	-	-	-	359,100 ✓	-
Building	12,793,153	-	12,793,153	4,642,789	815,036	5,457,825	7,335,328 ✓	10
Machinery	205,116	-	205,116	75,852	12,926	88,778	116,338 ✓	10
Furniture and fixtures	500,422	21,700	522,122	203,542	31,858	235,400	286,722 ✓	10
Tools	13,587	-	13,587	3,872	972	4,844	8,744 ✓	10
Computers	173,932	-	173,932	150,819	6,934	157,753	16,179	30
Cameras	61,368	-	61,368	47,701	4,100	51,801	9,567	30
Sewing machines	55,735	128,875	184,610	29,290	15,532	44,822	139,788 ✓	10
Vehicles	389,000	-	389,000	314,406	14,919	329,325	59,675 ✓	20
Rupees: June 2014	14,551,413	150,575	14,701,988	5,468,271	902,277	6,370,548	8,331,440	
Rupees: June 2013	13,973,324	581,089	14,551,413	4,481,010	990,140	5,468,271	9,083,142	
		(3,000)			(2,879)			

NOTE
2014
2013
RUPEES RUPEES

4. Short Term Investments

These unsecured short term investments are held with Bank of Punjab and carries expected rate of return that ranges from 8.50% to 9.45% p.a. (2013: 6% to 11.75% p.a)

5. Cash and Bank Balances

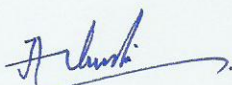
Cash in hand	11,799	46,109
Balances with banks on:		
Current account	436,307	1,563,271
Foreign currency account	236,637	239,317
	672,944	1,802,588
	684,743	1,848,697

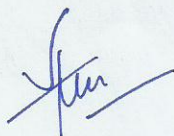
6. Fund Account

Opening balance	18,484,339	16,389,854
Add: Surplus for the year	1,984,344	2,094,485
	20,468,683	18,484,339

7. GENERAL

- Figures have been rounded off to the nearest Rupee.
- Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison.


(CHAIRMAN)


(SECRETARY)