



J.A.S.B. & Associates
Chartered Accountants

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February 4, 2020
Ref: Audit/20/358

Mr. Junaid Kalim
President,
Office No. 4, 3-A/1, Kalim Plaza,
Kaghan Road, F-8 Markaz,
Islamabad.

Dear Sir,

Subject: GIKI Alumni Association (GIKI) Society Audit for the year ended 30th June, 2019

Please refer to our letter no. Audit/20/199 dated 7th November, 2019 providing initialed audit report along with initialed financial statements for identification purposes, of GIKI Alumni Association (GIKI) Society-Audit for the year ended 30th June, 2019. As the financial statements have been approved and duly signed by you and Vice President Finance, we are pleased to sign the audit report. Please find enclosed signed audit report along with financial statements for your record.

Finally, we wish to express our appreciation for the co-operation and courtesy extended to us by the management and other staff members in accomplishing our task.

Yours truly

S.A.S.B. & Ant

J.A.S.B. & Associates
Chartered Accountants





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GIKI ALUMNI ASSOCIATION

Opinion

We have audited the financial statements of GIKI Alumni Association (the Society), which comprise the statement of financial position as at June 30, 2019, and statement of income and expenditure 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 The Society as at June 30, 2019, and its financial performance for the year then ended in accordance with the accounting policies 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 Society 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.

Emphasis of Matter

We draw attention to the Note 8 to the financial statements which describes non-compliance with section 100C of Income Tax Ordinance 2001 by the Society. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in note 3 to the financial statements 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 the financial statements, 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'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.

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.

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- 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 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 the 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.

Other Matter

The Financial Statements of the Society for the year ended June 30, 2018 were unaudited, accordingly, we do not express an opinion or any other form of assurance on these financial statements.

S.A.S.B. & Ant




J.A.S.B. & Associates
Chartered Accountants
Engagement Partner: Mr. Arsalan Vardag, FCA
Date: 04 FEB 2020
Place: ISLAMABAD

GIKI ALUMNI ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019


	Note	<u>2019 Rupees</u>	<u>2018 Rupees</u>
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	38,904	-
CURRENT ASSETS			
Cash and Cash Equivalents	5	5,230,095	2,438,702
TOTAL ASSETS		<u><u>5,268,999</u></u>	<u><u>2,438,702</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred Liability	6	5,183,999	2,423,702
CURRENT LIABILITIES			
Accrued and Other Payables	7	85,000	15,000
TOTAL LIABILITIES		<u><u>5,268,999</u></u>	<u><u>2,438,702</u></u>
CONTINGENCIES AND COMMITMENTS	8	-	-

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

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PRESIDENT



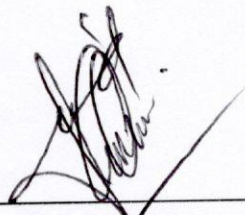
VICE PRESIDENT FINANCE

GIKI ALUMNI ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019


	Note	2019 Rupees	2018 Rupees
INCOME			
Donation		7,402,578	6,371,314
		7,402,578	6,371,314
EXPENDITURE			
Direct Expenses	9	6,799,000	5,785,850
Administrative Expenses	10	601,746	585,000
Finance Cost	11	1,832	464
		7,402,578	6,371,314
SURPLUS/(DEFICIT) FOR THE YEAR		-	-

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

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VICE PRESIDENT FINANCE

**GIKI ALUMNI ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019**

1 THE SOCIETY AND ITS OPERATIONS

GIKI Alumni Association (the Society) is registered under the Societies Act, 1860 as on November 24, 2003. The registered office of the Society is located at Mezzanine floor, Pak Pavalions, 65-E, A.K Fazal Haq Road, G-7 Blue Area Islamabad.

The principle objective of the GIKI Alumni Association (the Society) is to promote the interests and welfare of Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (the Institute), its alumni, deserving students and other deserving in the education sector. The Society provides a critical link between the alumni and the Institute and is supported exclusively by member contributions, donations and volunteer support.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared under the historical cost convention on the basis of significant accounting policies described in Para 3.

2.2 Basis of Measurement

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

2.3 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

(a) Provisions and Contingencies

A provision is recognized as a result of past event, the Trust has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

Where 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 can not be measured with sufficient reliability, it is disclosed as contingent liability.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparation of these financial statements.

3.1 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current or saving and deposit accounts, with maturities of three months or less from acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Trust in the management of its short term commitments.

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3.2 Accrued and Other Payables

Accrued and other payables are stated at their cost.

3.3 Income

Donations are recognized as income on accrual basis to the extent of expenses recognized. Any surplus/deficit is recognized in deferred liabilities.

3.4 Advances and Other Receivables

Advances and Other Receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

3.5 Related Party Transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Trustees, it is in the interest of the Trust to do so.



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4 Property, Plant & Equipment

Particulars	Computer & Accessories	Total
	-----Rupees-----	
As at July 1, 2018		
Opening net book value	-	-
Additions	51,700	51,700
Disposals		
-Cost	-	-
-Depreciation	-	-
	-	-
Depreciation charge	(12,796)	(12,796)
Closing net book value	38,904	38,904
As at June 30, 2019		
Cost	51,700	51,700
Accumulated Depreciation	(12,796)	(12,796)
Net Book Value	38,904	38,904
Depreciation Rate	33%	



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GIKI ALUMNI ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	Rupees	Rupees
5 Cash and Cash Equivalents		
Cash in hand	1,050	-
Cash at bank - Current account		
Local currency	5,229,045	2,438,702
	5,230,095	2,438,702
6 Deferred Liability		
Opening balance	2,423,702	3,088,490
Donation received during the year	10,162,875	5,706,526
Less: Donation recognized as income	(7,402,578)	(6,371,314)
Closing Balance	5,183,999	2,423,702
7 Accrued and Other Payables		
Salaries and Other Benefits	50,000	-
Audit Fee Payable	35,000	15,000
	85,000	15,000
8 Contingencies and Commitments		
<p>In order to claim the tax credit as per section 100C of the Income Tax Ordinance 2001, the Society was required to file income tax return, deduct and deposit withholding tax on payment of expenses and purchases and file the withholding tax statements, however no tax was withheld and income tax return and withholding tax statements have not been filed since its operations. The resulting non compliance may also result in imposition of heavy penalties in case of assessment by the income tax authorities. However, the effect of such penalties cannot be quantified in monetary terms yet.</p>		
	2019	2018
	Rupees	Rupees
9 Direct Expenses		
Disbursement to beneficiaries	6,799,000	5,785,850
	6,799,000	5,785,850
10 Administrative Expenses		
Salaries and other benefits	545,000	570,000
Audit Fee	35,000	15,000
Travelling	7,250	-
Communication Charges	1,700	-
Depreciation	12,796	-
	601,746	585,000
11 Finance Cost		
Bank charges	1,832	464
	1,832	464
12 Number of Employees		
Number of employees at year end	1	1
Average number of employees at year end	1	1

13 General

Figures have been rounded off to the nearest Rupee.

14 Date of Authorization

These financial statements were authorized for issue by the Members of the Society in their meeting held on

03 FEB 2020

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PRESIDENT

VICE PRESIDENT FINANCE