

**GIKI Alumni Association**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2022





J.A.S.B & Associates  
Chartered Accountants

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Ref: Audit/23/089

Date: August 17, 2022

Executive Council  
GIKI Alumni Association  
Islamabad

**Subject: Audit for the year ended June 30, 2022**

We are pleased to enclose four copies of the draft financial statements of GIKI Alumni Association together with our draft audit report thereon initialed by us for identification purposes. We shall be pleased to sign our audit report in their present or amended form after:

- a) The financial statements have been approved and signed by the President and Vice President Finance authorized by the Council in this behalf.
- b) Extracts of minutes of meeting in which financial statements will be approved and presented to the Council.
- c) Pending documents and confirmations listed in Annexure "1".

#### **Responsibilities of the auditors and the management in relation to the financial statements**

The responsibilities of the independent auditors in an audit engagement are explain in International Standards on auditing. While the auditors are responsible for forming and expressing an opinion on the financial statements, the responsibility for its preparation is primarily that of the management. The society's management responsibilities include maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities, which are not material in relation to the financial statements.

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Morison KSi  
Independent member





We would like to inform you that unless we have signed the auditors' report on these financial statements, the same shall remain and be deemed unaudited.

Finally, we take this opportunity to express our appreciation for the courtesy extended to us during the course of our audit by the management and staff of the Society.

Yours faithfully

S.A.S.B. Ant

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





## Annexure 1- Pending Documents and Confirmations

### Pending Documents:

1. Subsequent General Ledger
2. Subsequent bank statement of Habib Bank Limited
3. Management Representation Letter
4. List of students on letterhead, request and approval
5. List of authorized signatories
6. Cash in hand certificate as at June 30, 2022
7. Supporting for Liver transplant of Mr. Amir amounting Rs. 4,051,000.

### Pending Confirmations:

Sr #	Description	Amount in PKR
1	Donations Confirmations	10,791,948
2	Bank confirmation- Habib Bank Limited	14,084,834
3	Bank confirmation- Silk Bank Limited	5,609,775
4	Bank confirmation- Silk Bank Limited	2,898,108
5	Legal advisors' confirmation	-

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## 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, 2022, 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, 2022, 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.

### 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.

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## 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 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.
- 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.

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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 auditor's report is **Mr. Arsalan Vardag (FCA)**.

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

**Date:**

**Place: Islamabad**

**UDIN:**



**Morison KSi**  
Independent member



**GIKI ALUMNI ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	<u>2022</u> Rupees	<u>2021</u> Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	63,316	17,464
<b>CURRENT ASSETS</b>			
Advance Income Tax	5	-	14,758
Cash and Cash Equivalents	6	22,622,095	18,529,128
<b>TOTAL ASSETS</b>		<u><u>22,685,411</u></u>	<u><u>18,561,350</u></u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred Liability	7	22,263,443	18,490,590
<b>CURRENT LIABILITIES</b>			
Accrued and other Payables	8	221,560	70,760
Provision for Taxation	9	200,408	-
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-
<b>TOTAL LIABILITIES</b>		<u><u>22,685,411</u></u>	<u><u>18,561,350</u></u>

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

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**PRESIDENT**

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**VICE PRESIDENT FINANCE**



**GIKI ALUMNI ASSOCIATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>INCOME</b>			
Donation		17,572,211	22,352,458
Other Income	11	110,217	99,356
		<b>17,682,428</b>	<b>22,451,814</b>
<b>EXPENDITURE</b>			
Direct Expenses	12	15,803,712	21,412,739
Administrative and General Expenses	13	1,877,216	1,035,200
Finance Cost	14	1,500	3,875
		<b>17,682,428</b>	<b>22,451,814</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>-</b>	<b>-</b>

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

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**PRESIDENT**

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**VICE PRESIDENT FINANCE**



**GIKI ALUMNI ASSOCIATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1 THE SOCIETY AND ITS OPERATIONS**

- 1.1** 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 Pavilions, 65-E, A.K Fazal Haq Road, G-7 Blue Area Islamabad.
- 1.2** 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 is in conformity with the Revised Accounting and Financial Reporting Standard for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

In particulars, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as follows:

**( a ) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises acquisition and other directly attributable costs.

**( b ) Depreciation**

Depreciation is charged to statement of income and expenditure on reducing balance method. Depreciation on additions to property, plant and equipment is charged from the month in which an item is put to use while no depreciation is charged for the month in which the item is derecognized / disposed off.

**( c ) 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 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises acquisition and other directly attributable costs.

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**GIKI ALUMNI ASSOCIATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**3.2 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.

**3.3 Accrued and Other Payables**

Accrued and other payables are stated at their cost.

**3.4 Income**

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

**3.5 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.

**3.6 Taxation**

Income tax represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any and minimum tax under the provisions of Income Tax Ordinance, 2001, whichever is higher.

**3.7 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 council, it is in the interest of the Trust to do so.

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4 Property, Plant & Equipment

Particulars	Computer & Accessories	Total
	-----Rupees-----	
<b>As at June 20, 2020</b>		
Cost	51,700	51,700
Accumulated Depreciation	(25,634)	(25,634)
<b>Net Book Value</b>	<b>26,066</b>	<b>26,066</b>
<b>Year ended June 30, 2021</b>		
Opening Net Book Value	26,066	26,066
Additions	-	-
Disposals		
-Cost	-	-
-Depreciation	-	-
	-	-
Depreciation charge	(8,602)	(8,602)
<b>Closing Net Book Value</b>	<b>17,464</b>	<b>17,464</b>
<b>As at June 30, 2021</b>		
Cost	51,700	51,700
Accumulated Depreciation	(34,236)	(34,236)
<b>Net Book Value</b>	<b>17,464</b>	<b>17,464</b>
<b>Year ended June 30, 2022</b>		
Opening Net Book Value	17,464	17,464
Additions	74,000	74,000
Disposals		
-Cost	-	-
-Depreciation	-	-
	-	-
Depreciation charge	(28,148)	(28,148)
<b>Closing Net Book Value</b>	<b>63,316</b>	<b>63,316</b>
<b>As at June 30, 2022</b>		
Cost	125,700	125,700
Accumulated Depreciation	(62,384)	(62,384)
<b>Net Book Value</b>	<b>63,316</b>	<b>63,316</b>
<b>Depreciation Rate %</b>	<b>33%</b>	

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**GIKI ALUMNI ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>5 Advance Income Tax</b>			
Opening Balance		14,758	-
Income tax withheld during the year		16,534	14,758
Adjustment of advance tax		(14,758)	-
Provision for Taxation		(16,534)	
Closing Balance		<u>-</u>	<u>14,758</u>
<b>6 Cash and Cash Equivalents</b>			
Cash in Hand		29,378	7,377
Cash at Bank - Current Account - Local Currency		22,592,717	18,521,751
		<u>22,622,095</u>	<u>18,529,128</u>
<b>7 Deferred Liability</b>			
Opening Balance		18,490,590	9,576,579
Donation Received during the Year		21,345,064	31,266,470
Less: Donation Recognized as Income		(17,572,211)	(22,352,458)
Closing Balance		<u>22,263,443</u>	<u>18,490,590</u>
<b>8 Accrued and other Payables</b>			
Accounts Payable		139,200	-
Audit Fee Payable		81,200	69,600
Withholding Income Tax Payable		1,160	1,160
		<u>221,560</u>	<u>70,760</u>
<b>9 Provision for Taxation</b>			
Provision for the year		200,408	-
		<u>200,408</u>	<u>-</u>
<b>10 Contingencies and Commitments</b>			
There are no significant contingencies and commitments as at June 30, 2022.			
	Note	2022 Rupees	2021 Rupees
<b>11 Other Income</b>			
Profit on Bank		110,217	99,356
		<u>110,217</u>	<u>99,356</u>
<b>12 Direct Expenses</b>			
Disbursement to Beneficiaries		15,803,712	21,412,739
		<u>15,803,712</u>	<u>21,412,739</u>
<b>13 Administrative and General Expenses</b>			
Salaries and Other Benefits		763,590	729,500
Income Tax Expense		552,228	-
Auditor's Remuneration	12.1	464,600	162,400
Communication Expense		44,852	18,450
Depreciation Expense	4	28,148	8,602
Travelling Expense		19,938	11,494
Postage and Mailing Expense		3,860	2,500
Operations		-	70,754
Miscellaneous Expense		-	30,000
Printing and Copying Expense		-	1,500
		<u>1,877,216</u>	<u>1,035,200</u>

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**GIKI ALUMNI ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

Note	<u>2022</u> Rupees	<u>2021</u> Rupees
<b>13.1 Auditor's Remuneration</b>		
Annual Audit fee	81,200	69,600
Accounting, taxation and corporate services	383,400	92,800
	<u>464,600</u>	<u>162,400</u>
<b>14 Finance Cost</b>		
Bank Charges	1,500	3,875
	<u>1,500</u>	<u>3,875</u>
<b>15 Number of Employees</b>	<u>2022</u>	<u>2021</u>
Number of Employees as at year end	1	1
Average Number of Employees at year end	1	1

**16 General**

Figures have been rounded off to the nearest Rupee.

**17 Date of Authorization**

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

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PRESIDENT

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VICE PRESIDENT FINANCE