

RIAZ AHMAD & COMPANY

Chartered Accountants

ACID SURVIVORS FOUNDATION

FINANCIAL STATEMENTS WITH
ACCOMPANYING INFORMATION

30 JUNE 2013



AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the annexed balance sheet of **ACID SURVIVORS FOUNDATION** as at 30 June 2013 and the related income and expenditure account and statement of changes in funds 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 to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the approved accounting 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 the auditing standards as applicable in Pakistan. 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 present fairly in all material respects the financial position of **ACID SURVIVORS FOUNDATION** as at 30 June 2013 and of its surplus and changes in funds for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

The financial statements for the year ended 30 June 2012 were audited by another firm of chartered accountants whose report dated 31 December 2012 expressed an unmodified opinion.

Riaz Ahmad *22/6*

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner: Atif Bin Arshad

Date: 07 JAN 2014

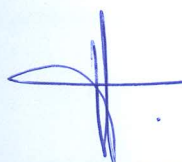
Islamabad

ACID SURVIVORS FOUNDATION

BALANCE SHEET AS AT 30 JUNE 2013

	NOTE	2013 Rupees	2012 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	2,676,293	1,483,152
CURRENT ASSETS			
Advances to employees - considered good		72,317	-
Prepayments		327,250	330,000
Advance tax		-	9,319
Cash and bank balances	5	14,255,928	4,788,641
		14,655,495	5,127,960
TOTAL ASSETS		<u>17,331,788</u>	<u>6,611,112</u>
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds	6	4,760,122	6,303,816
Restricted funds	7	10,335,837	-
Total funds		<u>15,095,959</u>	<u>6,303,816</u>
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	8	2,235,829	307,296
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL FUNDS AND LIABILITIES		<u>17,331,788</u>	<u>6,611,112</u>

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



CHAIRPERSON

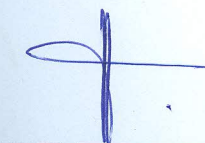


EXECUTIVE DIRECTOR

ACID SURVIVORS FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013

2013				2012
Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	
NOTE ----- Rupees -----				
9	12,553,473	18,051,556	30,605,029	17,966,853
	150,000	-	150,000	266,045
	206,595	-	206,595	-
	12,910,068	18,051,556	30,961,624	18,232,898
	3,286,194	2,151,219	5,437,413	3,457,194
	440,425	325,924	766,349	440,500
	603,972	625,708	1,229,680	2,421,533
	62,686	59,437	122,123	107,910
	191,856	29,840	221,696	144,760
	12,957	-	12,957	14,871
	1,775,598	446,882	2,222,480	1,383,490
	119,473	19,736	139,209	100,189
	905,985	683,333	1,589,318	833,572
	4,766,760	300,000	5,066,760	295,650
	113,986	-	113,986	48,493
	583,621	70,941	654,562	592,365
	1,046,000	2,996,816	4,042,816	3,232,147
	60,000	-	60,000	40,000
	100,000	-	100,000	-
	29,980	-	29,980	-
	10,611	5,883	16,494	8,838
4	343,658	-	343,658	305,821
	14,453,762	7,715,719	22,169,481	13,427,333
	(1,543,694)	10,335,837	8,792,143	4,805,565

The annexed notes form an integral part of these financial statements. *Rae*



CHAIRPERSON

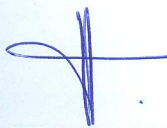


EXECUTIVE DIRECTOR

ACID SURVIVORS FOUNDATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2013

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS
	----- Rupees -----		
Balance as at 1st July 2012	1,498,251	-	1,498,251
Surplus for the year	4,805,565	-	4,805,565
Balance as at 30 June 2012	6,303,816	-	6,303,816
(Deficit) / surplus for the year	(1,543,694)	10,335,837	8,792,143
Balance as at 30 June 2013	4,760,122	10,335,837	15,095,959

The annexed notes form an integral part of these financial statements



CHAIRPERSON



EXECUTIVE DIRECTOR

ACID SURVIVORS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 THE FOUNDATION AND ITS OPERATIONS

Acid Survivors Foundation ("the Foundation") was established in August 2007 and registered under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961. The Foundation is engaged in provision of medical facilities and legal support to acid burn people in Pakistan.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small-Sized Entities (SSEs) issued by the Institute of the Chartered Accountants of Pakistan.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

3.1 Basis of preparation

Accounting convention

These financial statements have been prepared under the historical cost convention, except as modified by foreign currencies which are dealt with as stated in respective notes and policies.

3.2 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from the other sources. Actual results may differ from these estimates.

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

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets.

3.3 Funds accounting

The restricted funds comprise the accumulated surplus / deficit of donations / voluntary contributions and grants for which donors have specified intention to support a particular aspect of the Foundation's activities together with income accruing directly to those restricted funds. The surplus is held until they are fully expended or returned at the end of the respective grant period or disposed off according to the donor's instructions.

The unrestricted funds comprise the accumulated surplus / deficit of donations / voluntary contributions and grants for which donors have not specified any intention.

3.4 Property and equipment

Cost

Property and equipment are stated at cost less accumulated depreciation and impairment losses except freehold land which is stated at cost. Cost comprises acquisition and other directly attributable costs.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure account during the year in which they are incurred.

Depreciation

Depreciation on property and equipment is charged to income and expenditure account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 4. Depreciation on additions to property 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. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

The Foundation, after review of assets' residual values and useful lives, has changed its estimate of depreciation. Depreciation is now charged on reducing balance method. Previously, depreciation was charged on assets using straight line method.

The above revision has been accounted for as change in accounting estimate in accordance with the requirements of Section 12, "Accounting Policies, Change in Accounting Estimates and Errors" of Accounting and Financial Reporting Standards for Medium Sized Entities. Accordingly the effect of this change in accounting estimate has been recognized prospectively in the income and expenditure account of the current year. Had there been no change in this accounting estimate the deficit of unrestricted fund would have been higher and written down value of the property and equipment would have been lower by Rupees 155,892.

De-recognition

An item of property 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 included in the income and expenditure account in the year the asset is de-recognized.

3.5 Trade and other receivables

Trade and other receivables are recognized at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximate their fair value. Cash and cash equivalents comprise cash in hand, cash with banks and other short term highly liquid instruments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in values.

3.7 Accrued and other liabilities

Liabilities for accrued and other amounts payable are initially recognized at fair value which is normally the transaction cost.

3.8 Revenue

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Foundation and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

- (i) cash donations / voluntary contributions are recognized on cash receipt basis;
- (ii) donations in kind for depreciable assets are accounted for in the books of account on the basis of fair market value as on balance sheet date;
- (iii) grants are recognized as revenue in the year in which they are committed, subject to the assurance that the conditions attached thereto, if any, shall be complied with; and
- (iv) profit on bank deposit is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

3.9 Taxation

Foundation is a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001. Therefore, no provision for taxation has been made in these financial statements.

3.10 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Foundation's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non monetary items are translated into Pak Rupees at the exchange rates prevailing at the date of transaction or the date when fair values are determined. The entity charges all exchange differences to income and expenditure account.

3.11 Provisions

Provisions are recognized when the Foundation has a 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 amount can be made.

3.12 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Foundation has a legally enforceable right to set off the recognized amounts and the Foundation intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

4 PROPERTY AND EQUIPMENT

	Furniture and fittings	Computer equipment	Electric and office equipment	Vehicles	Total
----- Rupees -----					
At 01 July 2011					
Cost	260,197	218,405	463,118	-	941,720
Accumulated depreciation	(132,865)	(131,613)	(208,715)	-	(473,193)
Net book value	<u>127,332</u>	<u>86,792</u>	<u>254,403</u>	<u>-</u>	<u>468,527</u>
Year ended 30 June 2012					
Opening net book value	127,332	86,792	254,403	-	468,527
Additions	53,150	410,112	80,800	776,384	1,320,446
Depreciation charge	(44,345)	(128,650)	(74,598)	(58,228)	(305,821)
Closing net book value	<u>136,137</u>	<u>368,254</u>	<u>260,605</u>	<u>718,156</u>	<u>1,483,152</u>
At 30 June 2012					
Cost	313,347	628,517	543,918	776,384	2,262,166
Accumulated depreciation	(177,210)	(260,263)	(283,313)	(58,228)	(779,014)
Net book value	<u>136,137</u>	<u>368,254</u>	<u>260,605</u>	<u>718,156</u>	<u>1,483,152</u>
Year ended 30 June 2013					
Opening net book value	136,137	368,254	260,605	718,156	1,483,152
Additions	99,773	206,425	417,001	813,600	1,536,799
Depreciation charge	(24,958)	(129,322)	(56,315)	(133,063)	(343,658)
Closing net book value	<u>210,952</u>	<u>445,357</u>	<u>621,291</u>	<u>1,398,693</u>	<u>2,676,293</u>
At 30 June 2013					
Cost	413,120	834,942	960,919	1,589,984	3,798,965
Accumulated depreciation	(202,168)	(389,585)	(339,628)	(191,291)	(1,122,672)
Net book value	<u>210,952</u>	<u>445,357</u>	<u>621,291</u>	<u>1,398,693</u>	<u>2,676,293</u>
Annual rate of depreciation (%)	15	30	15	15	

	NOTE	2013 Rupees	2012 Rupees
5 CASH AND BANK BALANCES			
In hand		125,774	10,705
At banks in:			
- Current accounts		2,174,878	26,339
- Saving account	5.1	11,955,276	4,751,597
		14,130,154	4,777,936
		<u>14,255,928</u>	<u>4,788,641</u>
5.1 Saving account carries markup at the rate of 7% per annum.			
6 UNRESTRICTED FUNDS			
Balance as at 01 July		6,303,816	1,498,251
(Deficit) / surplus for the year		(1,543,694)	4,805,565
Balance as at 30 June		<u>4,760,122</u>	<u>6,303,816</u>
7 RESTRICTED FUNDS			
Balance as at 01 July		-	-
Surplus for the year		10,335,837	-
Balance as at 30 June		<u>10,335,837</u>	<u>-</u>
7.1 Restricted funds include funds of projects funded by Australian Agency for International Development (AUSAID), The Asia Foundation (AF) and Pakistani Italian Debt for Development Swap Agreement (PIDSA).			
	NOTE	2013 Rupees	2012 Rupees
8 ACCRUED AND OTHER LIABILITIES			
Accrued liabilities		558,491	245,791
Withholding tax		117,486	21,505
Audit fee		40,000	40,000
Others		1,519,852	-
		<u>2,235,829</u>	<u>307,296</u>
9 GRANTS AND VOLUNTARY CONTRIBUTIONS			
Restricted funds	9.1	18,051,556	-
Donations / voluntary contributions - unrestricted funds		12,553,473	17,966,853
		<u>30,605,029</u>	<u>17,966,853</u>
9.1 Australian Agency for International Development (AUSAID)		9,697,816	-
United States Agency for International Development (USAID)		5,641,750	-
Pakistani Italian Debt for Development Swap Agreement (PIDSA)		2,711,990	-
		<u>18,051,556</u>	<u>-</u>

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on December 31, 2013 by the Board of Directors.

11 CORRESPONDING FIGURES

No significant reclassification / rearrangements of corresponding figures have been made.

12 GENERAL

Figures have been rounded off to the nearest Rupee.



CHAIRPERSON

EXECUTIVE DIRECTOR