

**Pakistan National
Polioplus
Charitable Trust**

Financial Statements
For the year ended June 30, 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the accompanying financial statements of **Pakistan National PolioPlus Charitable Trust** (the Trust), which comprise of the statement of financial position as at June 30, 2022, and the statement of income and expenditure and other comprehensive income, statement of changes in the fund and statement of cash flows 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 presents fairly, in all material respects, the financial position of the Trust as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Trust 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 Trustees' for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Trustees are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

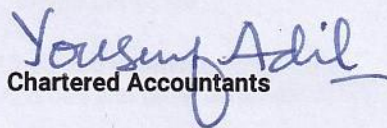
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 judgement and maintain profession 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 Trusts' 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 Trust'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 Trust 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 a manner that achieves fair presentation.

We communicate with Trustees' 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. Nadeem Yousuf Adil.


Chartered Accountants

Place: Karachi
Date: December 19, 2022

UDIN: AR202210091DZOjYB8id

PAKISTAN NATIONAL POLIOPUS CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

Note 2022 2021
 ----- (Rupees) -----

ASSETS

Non-current assets

Equipment	3	192,023	124,117
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Current assets

Store items	4	5,389,733	4,844,027
Prepaid rent		861,335	1,026,359
Loan to Employees		100,000	200,000
Security deposit		719,000	689,000
Tax Refundable due from government		96,000	96,000
Bank balance	5	60,696,253	6,590,884

Total Assets

	67,862,321	13,446,270
	<u>68,054,344</u>	<u>13,570,387</u>

LIABILITIES AND GENERAL FUND

FUND ACCOUNT

General fund	8,341,517	4,650,850
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Current liabilities

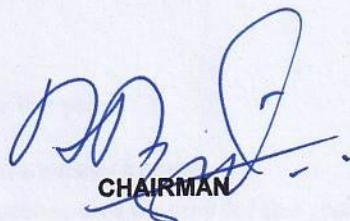
Unutilized donation	6	59,325,894	7,876,725
Accrued and other liabilities		386,933	1,042,812
		59,712,827	8,919,537

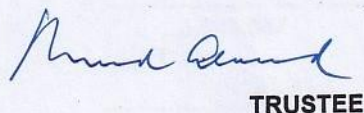
TOTAL LIABILITIES AND GENERAL FUND

	<u>68,054,344</u>	<u>13,570,387</u>
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The annexed notes 1 to 14 form an integral part of these financial statements.

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 CHAIRMAN


 TRUSTEE

PAKISTAN NATIONAL POLIOPLUS CHARITABLE TRUST
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

2022
2021
(Restated)
Note ----- (Rupee) -----

INCOME

Donor's donation recognized	7	121,290,117	103,317,914
Profit on bank account		3,690,667	1,452,157
Other income	8	1,841,000	11,920,605
		126,821,784	116,690,676

EXPENDITURE

Polio resource Centres expenses	9	33,260,083	33,034,616
Team support Centres	9	24,805,015	17,495,300
Permanent immunization Centres expenses	9	16,627,147	16,002,584
Project head office expenses		12,974,806	3,041,224
Promotion and publicity expense		11,070,864	7,779,419
Staff salaries		7,619,870	6,535,610
Permanent transit Centres expenses		5,524,000	3,125,000
Seminars, summits & orientation		2,229,066	1,162,597
Water filtration plants installed at various locations		1,990,655	9,370,956
Warehouse expenses		1,349,360	1,532,297
Health camp		1,304,905	1,215,382
Travelling & accommodation		1,078,911	523,710
News letters		893,000	675,000
Legal and professional		512,095	254,700
Courier expenses		412,717	438,195
Auditors' remuneration		326,700	297,000
Additional Govt. Support		343,500	162,000
Solar power vaccine refrigerator		220,000	-
Bank charges		131,699	818,959
Depreciation expense		85,594	88,080
Vaccine carriers		-	7,850,000
Other expenses		-	3,345,780
Staff bonus expense		-	100,000
Miscellaneous expenses / compensation		371,130	390,110
		123,131,117	115,238,519
Surplus before tax for the year		3,690,667	1,452,157

Taxation

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Surplus for the year

3,690,667 **1,452,157**

Other comprehensive income

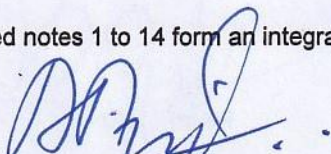
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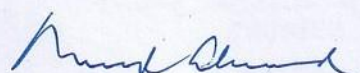
Total comprehensive income for the year

3,690,667 **1,452,157**

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

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CHAIRMAN

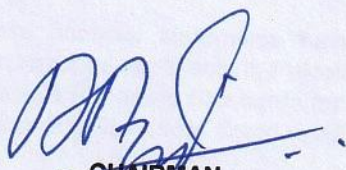

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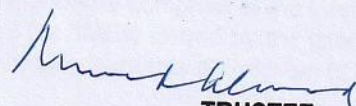
PAKISTAN NATIONAL POLIOPUS CHARITABLE TRUST
STATEMENT OF CHANGES IN THE FUND
FOR THE YEAR ENDED JUNE 30, 2022

Opening balance
Total comprehensive income for the year
Balance as at June 30, 2022

2022	2021
(Rupees)	
4,650,850	3,198,693
3,690,667	1,452,157
8,341,517	4,650,850

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


CHAIRMAN


TRUSTEE

PAKISTAN NATIONAL POLIOPLUS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND OPERATION

- 1.1** Pakistan National PolioPlus Charitable Trust (the Trust) is a not for profit Trust established through a Trust Deed dated January 6, 2016.

The object of the trust is to create awareness about polio disease, to help people suffering from it and to develop program for the eradication of polio disease from Pakistan. The registered office of the trust is situated at 91 Sharah-e-Iran Clifton, Karachi 75600, Pakistan.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards, as applicable in Pakistan. Approved accounting and reporting standards comprise of the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB), as adopted by the Institute of Chartered Accountants of Pakistan (ICAP).

2.2 Basis of Preparation

These financial statements are prepared under the historical cost convention.

2.3 Critical judgments and accounting estimates in applying the accounting policies

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, which requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Trust accounting policies. The Trust makes estimates and assumptions concerning the future, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revision to accounting estimates are recognized prospectively commencing from the period of revision. The matters involving a higher degree of judgment or areas where assumptions and estimates in the financial statements are related to residual values, useful lives and impairment of equipment (note 3).

2.4 Summary of significant accounting policies

Except as mentioned in note 2.4.13 below, the accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years' financial statements.

2.4.1 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Trust's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

2.4.2 Equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on an asset is charged to statement of income and expenditure using the straight-line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in note 3 to the financial statements. Depreciation on additions is charged from the month following the month in which the asset is put to use and no depreciation is charged in the month of disposal.

Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is expected incremental future benefits will flow to the Trust and the cost of the item can be measured reliably. Repairs and maintenance are charged to statement of income and expenditure during the financial period in which they are incurred.

Assets residual values, useful and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in the statement of income and expenditure.

2.4.3 Impairment

2.4.3.1 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the recoverable amount of the asset is estimated and compared with its carrying amount. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of income and expenditure.

- 2.4.3.2** An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.4.4 Store items

These are valued at cost less allowance for obsolete and slow moving items. Cost is determined on First in First out (FIFO) basis.

Items in transit is recorded at invoice value and other charges incurred thereon up to the reporting date

2.4.5 Accrued expenses and other liabilities

Liabilities accrued and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the trust.

2.4.6 Taxation

The Trust, being a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001, is entitled to a tax credit equal to one hundred percent of the tax payable under the Ordinance provided it fulfill conditions stated in section 100C of the Ordinance. Therefore no provision for taxation has been made by the Trust in these financial statements.

2.4.7 Revenue recognition

Return on bank deposit is recognized on a time proportionate basis at effective rate of return.

Conditional donation received is recognized in income and expenditure account to the extent of related expenditure incurred during the year.

Other income is recorded on accrual basis when it is earned and related expenses are incurred by the trust.

2.4.8 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents represents balances with bank in saving account.

2.4.9 Unutilized donation

Donation received from the donor is recognized as unutilized donation and is transferred to statement of income and expenditure to the extent of the expenses incurred by the Trust.

2.4.10 Provisions

Provisions are recognized when the Trust has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.4.11 Financial instruments

These financial assets and financial liabilities are recognized at the time when the Trust becomes a party to the contractual provisions of the instrument. At the time of initial recognition, all the financial assets and financial liabilities are measured at transaction cost, which is the fair value of the consideration given or received for it. Subsequently, these are stated at their fair values with changes recognised in income and expenditure account other than those whose fair value can not be measured reliably are stated at cost as reduced by impairment, if any. All the financial assets are derecognized at the time when the Trust loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to statement of income and expenditure.

2.4.12 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the trust has a legally enforceable right to set-off the recognised amounts and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

2.4.13 Change in policy in relation to presentation of the statement of income and expenditure and other comprehensive income

International Accounting Standard (IAS) - 1 'Presentation of Financial Statements' allows an entity to prepare separately the statement of income and expenditure and other comprehensive income, or the combined statement of income and expenditure and other comprehensive income (showing both items of income and expenditure for the year and items of other comprehensive income).

The Trust, with effect from July 01, 2020, has change its policy with regards to presentation of statement of income and expenditure and other comprehensive income and opted to prepare a combined statement i.e. the statement of income and expenditure and other comprehensive income. This change has no impact on the items of income and expenditure or comprehensive income recognized in prior year except that items of comprehensive income previously presented separately in statement of comprehensive income are now presented within "Statement of income and expenditure and other comprehensive income".

		2022	2021
	Note	(Rupees)	
3. EQUIPMENT			
Computers and office equipment			
Opening net book value		124,117	111,197
Additions		153,500	101,000
Depreciation charge for the year		(85,594)	(88,080)
Closing net book value		192,023	124,117
As at June 30, 2022			
Cost		342,000	241,000
Addition		153,500	101,000
Accumulated depreciation		(303,477)	(217,883)
Net book value		192,023	124,117
Annual rate of depreciation (%)		33.33%	33.33%
4. STORE ITEMS			
In-transit			
Promotion and publicity		-	785,000
In-stock			
Promotion and publicity		5,323,733	3,993,027
Vaccines carriers		66,000	66,000
		5,389,733	4,844,027
5. BANK BALANCE			
Cash at bank-local currency:			
- savings account		60,696,253	6,590,884
5.1 This carries profit on saving account at the rate 7.6% (2021: 5.5%)			
6. UNUTILIZED DONATION			
Deferred donation for equipment - Rotary International	6.1	192,023	124,117
Deferred operational donation - Rotary International	6.2	57,725,847	7,003,584
Deferred operational donation - Others	6.3	1,408,024	749,024
		59,325,894	7,876,725
6.1 Deferred donation for equipment - Rotary International			
Opening balance		124,117	111,197
Donation received		153,500	101,000
		277,617	212,197
Less: Transfer to income and expenditure account		(85,594)	(88,080)
		192,023	124,117

	2022	2021
	(Rupees)	
6.2 Deferred operational donation - Rotary International		
Opening balance	7,003,584	10,461,541
Donation received for expenditure	171,926,786	99,771,877
	178,930,370	110,233,418
Less: Transfer to income and expenditure account	(121,204,523)	(103,229,834)
	57,725,847	7,003,584

6.3 Deferred operational donation - Others		
Opening balance	749,024	1,423,897
Donation received for expenditure	2,500,000	11,245,732
	3,249,024	12,669,629
Less: Transfer to income and expenditure account	(1,841,000)	(11,920,605)
	1,408,024	749,024

7. DONOR'S DONATION RECOGNIZED

It represents donation received from Rotary International as transferred to Statement of income and expenditure account for social mobilization and enhanced activities and for administrative purposes of the Trust.

	2022	2021
	(Rupees)	(Restated)
8. OTHER INCOME		
Donation from a SAYA for solar water filtration plant	1,500,000	-
Donation from advertisement for Essa Laboratory	341,000	-
Income from Bank Alfalah for installation of hand washing plant	-	985,000
Income from Coca-Cola from installation of water filtration plant	-	8,398,897
Income from Canadian Rotarian for purchase of mosquito net	-	1,861,708
Income from advertisement for Coca-Cola Pakistan	-	675,000
	1,841,000	11,920,605

9. POLIO RESOURCE CENTRES, PERMANENT IMMUNIZATION CENTRES AND TEAM SUPPORT CENTRES

The amount represents disbursements made to 7 resource Centres, 8 permanent immunization Centres and 12 team support Centres in different parts of Pakistan. The Trust provides funds to these Centres in advance on monthly basis against the budgeted expenses. The Centres submit expenses details at the end of each month to the Trust and project manager for verification.

	2022	2021
	(Rupees)	(Restated)
10. Taxation		
Tax at the applicable rate of 29%	1,070,293	421,125
Tax Credit	(1,070,293)	(421,125)
	-	-

10.1 In accordance with the provisions of Section 100 C of the Income Tax Ordinance 2001, the income of the non-profit organizations, trusts or welfare institutions, shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable under any of the provision of the Income Tax Ordinance 2001, subject to the following conditions, namely:

- a) return has been filed;
- b) tax required to be deducted or collected has been deducted or collected and paid;
- c) withholding tax statements for the immediately preceding tax year have been filed; and
- d) the administrative and management expenditure does not exceed 15% of the total receipts.

The Trust administrative and management expenditure did not exceed 15% of the total receipts. Therefore no provision for tax has been recognised in these financial statements. Had the administrative and management expenditure exceeded 15% of the total receipts, provision for tax of Rs. 1,070,293 would have been recognised in the financial statements.

10.2 Further, sub-section (1A) of section 100 C of the Income Tax Ordinance, 2001 provides that the surplus funds of non-profit organization shall be taxed at a rate of 10%.

For the purpose sub-section (1A), surplus funds means funds or monies:

- a) not spent on charitable and welfare activities during the tax year;
- b) received during the tax year as donations, voluntary contributions, subscriptions and other incomes;
- c) which are more than 25% of the total receipts of the non-profit organization received during the tax year; and
- d) are not part of restricted funds.

For the purpose of this sub-section, "restricted funds" mean any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor.

The Trust has not recognised any provision for tax in respect of its surplus funds under sub-section (1A) of section 100 C of Income Tax Ordinance 2001, as surplus did not exceed 25% of the total receipts. Had the surplus funds exceed twenty-five percent of the total receipts, a provision for tax at the rate of 10% of surplus funds (i.e. Rs. 369,067) would have been recognised in the financial statements.

11. BALANCES / TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Trustees, Donors, key management personnel and companies in which Trustees hold common directorship. The Trust in the normal course of business carries out transactions with various related parties at agreed rates. The Trust has carried out following associated undertaking transaction with related parties during the year.

		2022	2021
		(Rupees)	
Transactions			
Name of Related Party	Nature of transactions / balance		
Rotary International - Donor	Donations received during the year	<u>172,080,286</u>	<u>99,872,877</u>
Companies in which Trustees hold common directorship			
Kings Apparel Industries (Private)	Payment for expenses incurred	<u>81,095</u>	<u>75,963</u>
Ace Travels (Private) Limited	Payment for expenses incurred	<u>1,273,656</u>	<u>648,136</u>

The trust utilizes the fixed assets of Kings Group of Companies (other than those recognized in statement of financial position) where the Chairman is director. The fixed assets are shared free of charge by the related party and utility bills are also borne by them.

2022 2021
----- (Rupees) -----

12. BASIC FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets - at amortised cost

Bank balance	60,696,253	6,590,884
Security deposit	719,000	689,000
	<u>61,415,253</u>	<u>7,279,884</u>

Financial liabilities - at amortised cost

Accrued and other liabilities	<u>386,933</u>	<u>1,042,812</u>
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13. DATE OF AUTHORIZATION FOR ISSUE

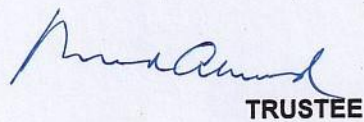
The financial statements were authorized for issue on 16 DEC 2022 by the Board of Trustees.

14. GENERAL

14.1 Figures have been rounded off to the nearest rupees.

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CHAIRMAN


TRUSTEE

