

Assurance Department

INDUS CRAFTS FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Indus Craft Foundation

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Indus Craft Foundation (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of changes in general fund (the Fund), the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the statement of financial position, statement of profit or loss, statement of changes in general fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss, the changes in general fund and its cash flows for the year then ended.

Basis for Qualified Opinion

As the physical stock count was not observed as at June 30, 2018. Owing to the nature of the company's records and lack of controls with respect to stock in hand amounting to Rs. 1,643,910, we were unable to satisfy ourselves with respect to both quantities and value of stock in hand held as at period ended June 30, 2018.

We conducted our audit in accordance with 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 Company 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 qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1.1 in the financial statements which states that the company's licence has been revoked by the Securities and Exchange Commission of Pakistan due to the non-submission of financial statements. As stated in note 1.1, these events or conditions, along with other matters as set forth note 1.1, indicate that material uncertainty exist that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company'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 Company'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 Company'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 Company 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 the board of directors 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) except for the matter described in the Basis for Qualified Opinion section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the matter described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of changes in general fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Adnan Zaman.

Adnan Zaman
Chartered Accountants
Karachi
Dated: 13 JAN 2020

INDUS CRAFTS FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,460,703	526,121
Intangible assets	5	-	3,050
Long term investment	6	10,369,169	-
Current assets			
Stock in hand – finished handicrafts		1,643,910	1,176,169
Debtors		150,390	179,070
Advances to staff and supplier		44,445	1,049,330
Short term investment	6	-	10,369,169
Accrued interest on investment		153,407	329,044
Deposits	7	657,037	649,037
Advance tax		269,793	85,344
Cash and bank balances	8	50,976	944,746
		2,969,958	14,781,909
Total assets		14,799,830	15,311,080
GENERAL FUND & LIABILITY			
General fund		2,360,748	3,023,102
Endowment fund		10,000,000	10,000,000
Deferred grant	9	264,723	1,240,826
		12,625,471	14,263,928
Current liabilities			
Trade and other payables	10	1,986,411	788,228
Provision for taxation		187,948	258,924
		2,174,359	1,047,152
Total funds and liabilities		14,799,830	15,311,080

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


Chairman/Chief Executive


Director

INDUS CRAFTS FOUNDATION
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
Income			
Grants	9	4,429,103	3,279,476
Expenditure			
Donor's expenditure	11	(4,429,103)	(3,279,476)
Other operating expenses	12	(1,824,880)	(1,547,314)
		(6,253,983)	(4,826,790)
Other income	13	1,162,526	852,339
Loss before taxation		(662,354)	(694,975)
Taxation			
- current		-	(70,977)
- prior		-	-
		-	(70,977)
Loss after taxation		(662,354)	(765,952)

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



Chairman/Chief Executive



Director

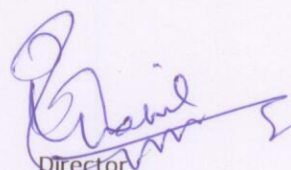
INDUS CRAFTS FOUNDATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(662,354)	(694,975)
Adjustment for non cash items:			
Depreciation	4.1	725,326	442,285
Amortization		3,050	100,678
		<u>66,022</u>	<u>(152,012)</u>
Working capital changes			
Decrease / (increase) in debtors		28,680	(167,100)
Decrease / (increase) in advance to staff		1,004,885	(873,200)
Decrease/(increase) in accrued interest on investment		175,637	(329,044)
Increase in deposits		(8,000)	(609,037)
Increase in stock in hand		(467,741)	(15,749)
Increase in accrued and other payable		1,198,183	365,237
		1,931,644	(1,628,893)
Tax paid		(255,425)	(85,345)
Grant utilized in operating activities	9	(4,429,103)	(3,279,476)
Net cash used in operating activities (A)		<u>(2,686,862)</u>	<u>(5,145,726)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Grant utilized for purchase of fixed asset		(1,659,908)	(38,300)
Disposal of investment in Pakistan investment bonds		-	10,419,987
Disposal of investment in term deposit receipts		10,369,169	-
Investment made in term deposit receipts		<u>(10,369,169)</u>	<u>(10,369,169)</u>
Net cash (used in)/generated from investing activities (B)		<u>(1,659,908)</u>	<u>12,518</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Deffered grant(C)		3,453,000	2,331,180
Net decrease in cash and cash equivalents (A+B+C)		<u>(893,770)</u>	<u>(2,802,028)</u>
Cash and cash equivalents at the beginning of the year		944,746	3,746,774
Cash and cash equivalents at the end of the year		<u><u>50,976</u></u>	<u><u>944,746</u></u>

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



Chairman/Chief Executive



Director

INDUS CRAFTS FOUNDATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Loss for the year ----- Rupees -----	Total
Balance as at June 30, 2016	3,789,054	-	3,789,054
Loss for the year	-	(765,952)	(765,952)
Transfer to general fund	(765,952)	765,952	-
Balance as at June 30, 2017	3,023,102	-	3,023,102
Loss for the year	-	(662,354)	(662,354)
Transfer from general fund	(662,354)	662,354	-
Balance as at June 30, 2018	2,360,748	-	2,360,748

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


Chairman/Chief Executive


Director

**INDUS CRAFTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

1 STATUS AND NATURE OF BUSINESS

Indus Crafts Foundation is a company limited by Guarantee, incorporated in Pakistan under section 42 of the repealed Companies Ordinance 1984 on 4th June 2012. The company's registered office is located at Khairpur Mirs Sindh, Pakistan. The principal activity of the company is to promote handicrafts, poverty alleviation and women empowerment. The Organization is a not-for-profit association in accordance with section 42 of the repealed Companies Ordinance, 1984.

- 1.1** Subsequent to the reporting date, the Company's licence has been revoked by Securities and Exchange Commission of Pakistan (SECP) due to non submission of audited financial statements which may cast significant doubt about the Company's ability to continue as a going concern.

Management contends that Securities and Exchange Commission of Pakistan (the Commission) order is based on misunderstanding as the Company's licence had already expired in 2017 and application for the renewal of licence had filed which is still pending with the SECP. Therefore, the licence did not exist that could be revoked by the Commission. Management is confident that since audited financial statements have now been finalized, which will be submitted to the Commission shortly after issuance of audit reports, the Commission will agree to renewal of the licence commission for renewal of the Company in public interest.

Mitigating factor

The management of the Company is hopeful that upon submission of audited financial statements its licence will be restored/renewed. Thus these financial statements has been prepared on going concern basis.

- 1.2 Summary of significant events and transactions in the current reporting period**

The Company's financial position and performance was particularly affected by the following event and transaction during the reporting period:

During the year the company has purchased office equipments and furniture amounting to Rs. 1,659,908 in total.

2 BASIS OF PREPARATION

- 2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given here under.

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2.3 Functional and presentation currency

The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated

2.4 Significant accounting estimates and judgements

The preparation of financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial information are disclosed in note 3.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably, on the following bases:

(a) Grant income

The grant is recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

(b) Sales of goods

Sale of goods is recognized when the goods are delivered and the risks and rewards of ownership have passed to the customer.

(c) Interest income

Profit on saving account is recognized on receipt basis.

3.2 Property, plant and equipments

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. Depreciation on additions is charged for the full month in which an asset is available for use and on deletions up to the month immediately preceding the month of deletion.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain or loss on disposal, if any, is included in profit & loss account currently.

3.3 Intangible assets

Intangible assets acquired having finite useful life are capitalized at cost and stated at cost less amortization. The rate of amortization is 33% applying straight line method.

Amortization on additions is charged from the month during which the asset is put to use or acquired. For disposals during the year, amortization is charged up to the month preceding the month of disposal.

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3.4 Investments

Investments are classified as held to maturity, which are securities with a fixed maturity that the Fund has the intention and ability to hold until maturity.

All investments are initially recorded at cost. Held to maturity investments are subsequently carried at amortized cost using the effective interest rate method.

Profit on investment is accrued on the basis effective yield of respective investments and is shown net of tax with held, if any.

3.5 Stock in hand

Stocks are valued at the lower of cost and net realizable value except for stock in transit which is valued at invoice price and related expenses incurred up to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less net of estimated cost of completion and selling expenses.

3.6 Taxation

Current tax expense 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.

Deferred tax where applicable is accounted for using the balance sheet method.

3.7 Trade and other receivables

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually.

3.8 Cash and cash equivalent

Cash and cash equivalents comprised cash in hand & cash with banks on savings and current accounts.

3.9 Accrued and other payable

Liabilities for trade 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.



Year ended June 30, 2018

Opening net book values
Additions
Depreciation charge
Closing net book values

Office equipments	Office furniture	Vehicles	Total
283,237	99,393	143,491	526,121
569,138	1,090,770	-	1,659,908
(263,986)	(317,848)	(143,491)	(725,326)
<u>588,389</u>	<u>872,315</u>	<u>-</u>	<u>1,460,703</u>

At June 30, 2018

Cost
Accumulated depreciation
Net book value
Depreciation rates

Office equipments	Office furniture	Vehicles	Total
1,798,547	1,350,741	765,965	3,915,253
(1,210,158)	(478,426)	(765,965)	(2,454,550)
<u>588,389</u>	<u>872,315</u>	<u>-</u>	<u>1,460,703</u>
25%	20%	20%	

Year ended June 30, 2017

Opening net book values
Additions
Depreciation charge
Closing net book values

Office equipments	Office furniture	Vehicles	Total
534,092	102,394	293,620	930,106
24,700	13,600	-	38,300
(275,555)	(16,601)	(150,129)	(442,285)
<u>283,237</u>	<u>99,393</u>	<u>143,491</u>	<u>526,121</u>

At June 30, 2017

Cost
Accumulated depreciation
Net book value
Depreciation rates

Office equipments	Office furniture	Vehicles	Total
1,229,409	259,971	765,965	2,255,345
(946,172)	(160,578)	(622,474)	(1,729,224)
<u>283,237</u>	<u>99,393</u>	<u>143,491</u>	<u>526,121</u>
25%	20%	20%	

4.1 Depreciation charged has been allocated as follows:

Development Fund
NARA Fund
NCFC Fund
SEF Fund
Other operating expenses

2018	2017
Rupees	Rupees
-	119,417
-	238,834
-	84,034
354,088	-
371,238	-
<u>725,326</u>	<u>442,285</u>

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	Note	2018 Rupees	2017 Rupees
5 INTANGIBLE ASSET			
Net carrying value basis year ended June 30			
Opening net book value		3,050	103,728
Addition (at cost)		-	-
Amortization charged @ 33%		(3,050)	(100,678)
Closing net book value		<u>-</u>	<u>3,050</u>
Gross carrying amount at June 30			
Cost		305,084	305,084
Accumulated amortization		<u>(305,084)</u>	<u>(302,034)</u>
Net book value		<u>-</u>	<u>3,050</u>
6 INVESTMENT			
6.1 Long term investment			
Investments in TDR	6.1	<u>10,369,169</u>	<u>-</u>
6.1 It carries rate of return at the rate of 10% per annum and its maturity period is for 3 year.			
6.2 Short term investment			
Investments in TDR		<u>-</u>	<u>10,369,169</u>
7 DEPOSIT			
Security deposits		242,037	424,000
Prepaid rent		415,000	225,037
		<u>657,037</u>	<u>649,037</u>
8 CASH AND BANK BALANCES			
Cash in hand		10,956	15,000
Cash at banks			
- savings account	8.1	40,020	9,877
- current account		-	919,869
		<u>40,020</u>	<u>929,746</u>
		<u>50,976</u>	<u>944,746</u>
8.1 Savings account carries interest rate ranging from 5% to 5.5% per annum (2017: 4% to 5% per annum).			
10 TRADE AND OTHER PAYABLES			
Auditors' fee		250,500	167,000
Payable to chief executive officer		-	2,000
Withholding tax payable		85,818	17,118
Other payable		538,078	177,221
Salaries and wages payable		-	162,357
Provident fund deductions		340,843	262,532
Security deposits from shops		400,000	-
Bank overdraft		371,172	-
		<u>1,986,411</u>	<u>788,228</u>

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9 DEFERRED GRANTS

	NARA Fund 9.1	Development Fund 9.2	NCFC 9.3	BBSYDP 9.4	SEF Fund 9.5	Grants from local 9.6	Total
	Rupees						
Balance as at June 30, 2016	1,464,016	929,976	(361,419)	156,549	-	-	2,189,122
Grants received from government	-	-	-	171,180	2,160,000	-	2,331,180
Grants utilized during the year	(1,686,194)	(1,218,236)	(59,259)	(262,387)	(53,400)	(3,279,476)	(3,279,476)
Balance as at June 30, 2017	(222,178)	(288,260)	(420,678)	65,342	2,106,600	-	1,240,826
Grants received from government	-	-	-	90,000	3,013,000	350,000	3,453,000
Grants utilized during the year	-	-	-	(24,732)	(3,627,961)	(776,410)	(4,429,103)
Balance as at June 30, 2018	(222,178)	(288,260)	(420,678)	130,610	1,491,639	(426,410)	264,723

9.1 NARA Crafts person capacity building and handicraft promotion. This represents grant received from the Government of Sindh for the purpose of development of the handicrafts sector of Khairpur District.

9.2 This represents grant received from Government of Sindh for the purpose of capacity building, handicraft promotion and development of handicraft sector of Khairpur District.

9.3 Nara Crafts Finishing Center (NCFC) grant received from district administration Khairpur for the purpose to create sustainable livelihood opportunities for craft persons of the district through utilization of their folk wisdom and skill through design development and finishing of the product items according to national and international market demand level in Khairpur.

9.4 Benazir Bhutto Shaheed Youth Development Program (BBSYDP) grant received from Government of Sindh for the purpose to enable the trainee to make creative designs in embroidery and prepare dresses by using these embroidery stitches. Identifying new opportunities in crafts, textile art and fashion and design markets. Produce trainees capable of designing embroidery by different stitches.

9.5 The project is an initiative of Sindh government through Sindh Education Foundation (SEF) to promote education in rural areas of Sindh. ICF is part of Adult Adolescent Learning and Training Program (AAL TP) of SEF that focuses on non formal basic education of the adults (men and women) who were unable to go to school in their childhood. Through this program regular classes are conducted for improving multiple subjects i.e english, maths etc to improve their skills and facilitate them to improve their quality of life.

9.6 This represents donation received from local government

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	Note	2018 Rupees	2017 Rupees
11 DONOR WISE PROJECT EXPENDITURES			
Development fund	11.1	-	1,218,236
NARA fund	11.2	-	1,686,194
NCFC fund	11.3	-	59,259
BBSYDP fund	11.4	24,732	262,387
SEF fund	11.5	3,627,961	53,400
Grants from local government	11.6	776,410	-
		<u>4,429,103</u>	<u>3,279,476</u>
11.1 Development fund			
Salaries and wages		-	952,962
Depreciation		-	151,536
Employer contributions-CP Fund		-	13,060
Amortization		-	100,678
		<u>-</u>	<u>1,218,236</u>
11.2 NARA fund			
Salaries and wages expenses		-	1,396,023
Communication expenses		-	18,030
Depreciation		-	231,490
Meeting and refreshments		-	34,151
Exhibition expenses		-	6,500
		<u>-</u>	<u>1,686,194</u>
11.3 NCFC fund			
Depreciation		-	59,259
		<u>-</u>	<u>59,259</u>
11.4 BBSYDP fund			
Salaries & Wages expense		-	161,316
BBSYDP expenses		-	91,280
Employer contributions-CP fund		-	780
Freight and transportation		-	200
Office stationary		-	5,220
Printing and copying		-	1,843
Repair and maintenance		-	1,748
Legal and professional fees		24,732	-
		<u>24,732</u>	<u>262,387</u>
11.5 SEF Fund			
Communication expenses		20,200	-
Freight and transportation		10,000	-
POL expenses		146,491	-
Repair and maintenance		18,900	-
Training expenses		24,130	-
Advertising expenses		650	26,400
Computer extendables		2,400	-
General expenses		3,500	-
Salaries and wages expense - other		15,000	-
Material and supplies to SEF center		20,656	-
Printing and photocopying		8,807	-
Repair and maintenance AALTP centres		64,080	-
Stationary for SEF Centres		34,518	-
Transportation to Learners		21,000	-
Rent Expense		468,000	-
Salary of Project Staff		2,403,351	27,000
Meeting & Refreshment		12,190	-
Depreciation	4.1	354,088	-
		<u>3,627,961</u>	<u>53,400</u>

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	Note	2018 Rupees	2017 Rupees
11.6 Grants from local government			
Salaries and other benefits		776,410	-
		<u>776,410</u>	<u>-</u>
12 Other operating expenses			
Periodical news paper		5,415	4,125
Communication expenses		5,170	16,740
Exhibition expenses		32,000	45,596
Freight and transportation		18,040	12,930
Legal and professional fees		113,100	221,825
Office stationary		8,946	42,989
Office supplies		14,788	53,670
POL expenses		52,540	72,731
Postage and mailing service		7,317	18,651
Printing and copying		9,109	8,842
Production cost material and wages		-	209,364
Rent expenses		150,000	87,075
Repair and maintenance		44,960	199,058
Training expenses		10,500	-
Utilities expenses		127,616	153,137
Bad debt expenses		28,680	-
Advertising expenses		-	9,040
Bank charges		15,355	16,152
Computer extendables		800	-
General expense		6,040	-
Salaries and wages expense		645,176	-
Boarding and lodging		39,980	31,180
Local TA claims		49,250	48,260
Meeting and refreshment		9,795	42,736
Travel and parking		915	300
Travel and meetings - other		55,100	252,913
Depreciation	4.1	371,238	-
Amortization		3,050	-
		<u>1,824,880</u>	<u>1,547,314</u>
13 OTHER INCOME			
Interest income on PLS account		86,684	280,318
Profit on Pakistan Investment bonds		-	162,557
BBSYDP Income			
Interest income on TDR Investment		890,115	329,044
Rent From Shops		150,000	-
Income from sales of handicraft - Net	13.1	35,727	80,420
		<u>1,162,526</u>	<u>852,339</u>
13.1 Income from sales of handicraft - Net			
Sales		393,017	884,660
Less: Cost of sales			
Opening balances		1,176,169	1,160,420
Net Purchases		825,031	819,989
Closing balances		(1,643,910)	(1,176,169)
		<u>(357,290)</u>	<u>(804,240)</u>
		<u>35,727</u>	<u>80,420</u>

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14 Financial instruments

	Amortized cost		Total	
	2018	2017	2018	2017
	(Rupees)			
Financial assets				
Debtors	150,390	179,070	150,390	179,070
Long term investment	10,369,169	-	10,369,169	-
Short term investment	-	10,369,169	-	10,369,169
Accrued interest on investment	153,407	329,044	153,407	329,044
Deposits	242,037	424,000	242,037	424,000
Cash and bank balances	50,976	944,746	50,976	944,746
	<u>10,965,979</u>	<u>12,246,029</u>	<u>10,965,979</u>	<u>12,246,029</u>
Financial liabilities				
Trade and other payables	1,986,411	788,228	1,986,411	788,228
	<u>1,986,411</u>	<u>788,228</u>	<u>1,986,411</u>	<u>788,228</u>

15 NUMBER OF EMPLOYEES

The total average number of employees working for the Company during the year as at June 30, 2018 and 2017 respectively are as follows:

	2018 Number	2017 Number
Total employees of the Company at the year end	<u>28</u>	<u>11</u>
Average employees of the Company during the year	<u>24</u>	<u>9</u>

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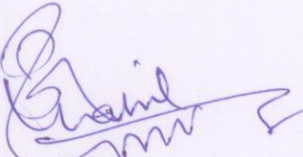
16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in a meeting held on 13 JAN 2020

17 GENERAL

All the figures have been rounded off to the nearest rupees.


Chairman/Chief Executive


Director