



**ARSHAD & CO**  
CHARTERED ACCOUNTANT

**AUDITORS' REPORT**

We have audited the annexed balance sheet of the **MS FORMATION AWARENESS & COMMUNITY EMPOWERMENT SOCIETY (FACES PAKISTAN)** as at June 30, 2021 and the related income and expenditure account (here-in-after referred to as the financial statements for the year then ended.).

It is the responsibility of the management committee 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 generally accepted auditing standards. 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 the **MS FORMATION AWARENESS & COMMUNITY EMPOWERMENT SOCIETY (FACES PAKISTAN)** as at June 30, 2021 and of its Surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: August 12, 2021  
Place: Lahore

  
ARSHAD & CO.  
(Chartered Accountants)



**FORMATION AWARENESS & COMMUNITY  
EMPOWERMENT SOCIETY (FACES PAKISTAN)  
BALANCE SHEET  
AS AT JUNE 30, 2021**

FUNDS & LIABILITIES	NOTES	2021 RUPEES	2020 RUPEES
<b>GENERAL FUNDS &amp; RESERVES</b>			
General Funds & Reserves	4	11,711,912	10,861,485
<b>CURRENT LIABILITIES</b>			
Creditors, accruals and payable	5	2,232,046	225,500
		2,232,046	225,500
		<b>13,943,958</b>	<b>11,086,985</b>
<b>PROPERTY &amp; FIXED ASSETS</b>			
Operating Fixed Assets	6	9,030,013	4,747,576
<b>CURRENT ASSETS</b>			
Stock in trade	7	0	-
Advances, Deposits & Prepayments	8	2,071,575	4,324,868
Cash & Bank Balance	9	2,842,370	2,014,541
		<b>4,913,945</b>	<b>6,339,409</b>
		<b>13,943,958</b>	<b>11,086,985</b>

*Sauad Ullha*  
President



General Secretary



**FORMATION AWARENESS & COMMUNITY  
EMPOWERMENT SOCIETY (FACES PAKISTAN)  
STATEMENT OF COMPREHENSIVE  
AS AT JUNE 30, 2021**

<b>REVENUE /RECEIPTS</b>	10	39,640,168	69,197,613
<b>LESS:</b>			
Projects Expenditure & payments	11	19,875,782	45,032,149
Administrative and General expenses	12	18,913,959	25,375,144
		38,789,741	70,407,293
 Net surplus balance transfer to funds account		850,427	(1,209,680)

*Jawad Wilhan*  
President



General Secretary



**FORMATION AWARENESS & COMMUNITY  
EMPOWERMENT SOCIETY (FACES PAKISTAN)  
NOTES TO THE ACCONTS  
AS AT JUNE 30, 2021**

**1 Nature and Status of the Trust**

The Society was registered in 2009 under the Societies Act 1860. The Society perform its duties.provision of Social Welfare, Health and Educational promotion services. The registered office of the Society is situated at Building No. B 197, Block B, Pak Arab Housing Society , Ferozpur Road Lahore.

**2 Basis of Preparation**

**2.1 Basis of Measurement**

These Financial Statements have been prepared under the historical cost convention except for certain item of property, plant and equipment that are stated at revalued amounts. In these financial statements, except for the amount reflected in the cash flow statement, all transactions have been accounted for on accrual basis

**2.2 Statement of Compliance**

These Financial Statements, pretaining to the microfinance operations/ segments of the Society

**2.3 Functional and Presentation of Currency**

These financial statements are presented in Pakistan Rupees, which is the Society functional and present currency. All financial information presented in Pakistan Rupees has been rounded on the nearest rupees.

**3 Significant Accounting Policies**

The significant accounting policies adopted in the preparation of these financial statements are set below. These policies have been consistently applied on all years prescribed, unless otherwise stated.

**3.1 Accounting Convention**

These accounts have been prepared under the historical cost convention.

**3.2 Fixed Assets**

- a Fixed assets including additions are stated at cost, less accumulated depreciation and any impairment in value.
- b Depreciation on fixed assets is provided on the reducing balance method at the rates specified
- c Maintenance and normal repairs are charged to current year's income. Major renewals and and improvements are capitalized.



- d Acquisitions in a year are depreciated for a full year, irrespective of the date of acquisition. No depreciation is charged on assets disposed off during a year.
- e Gains and losses on disposal of fixed assets are included in income currently.

### 3.3 Income Recognition

- a Donation, fee and related receipts are recognized on receipt basis.
- b Donation in kind shall be recognized at fair market value as and when received.

### 3.4 Provisions

A provision is recognized in the balance sheet when the Society has a legal or constructive obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made to the amount of obligation.

### 3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand, demand deposits, other short term them highly liquid investments that are readily convertible to known amounts of cash and which are subjects to an insignificant and of change in value and short term borrowings.

### 3.6 Impairment

The carrying amount of the Society's assets are reviewed at each balance sheet date to determine, whether there is any indication of impairment. If any such indication exists, the assets recoverable amount are estimated and impairment losses are recognized in the income and expenditure account.

### 3.8 Recognition of grants

Funds provided by donors to subsidized operating and administrative expenses are recognized as grant income as per term of agreement with donors. Grants utilized for acquiring fixed/current assets are taken as income and when received. Grants related to capacity building are taken as income as and when received. Grants utilized for financing of lending operations are recognized as income as and when received

## 4 GENERAL FUNDS AND RESERVES

General Funds Accounts - transfer to Special Res.

### Special Reserves

Special Reserves

Add: transferred G. Reseve Fund

Accumulated Reserve (Note 4.1)

2021 RUPEES	2020 RUPEES
-	-
2,500,000	2,500,000
1,731,625	1,731,625
4,231,625	4,231,625
7,480,287	6,629,860
11,711,912	10,861,485



**4.1 ACCUMULATED RESERVE**

Opening Balance

Surplus for the year

6,629,860		7,839,540
850,427		(1,209,680)
7,480,287		6,629,860

**5 CREDITORS, ACCRUAL AND PAYABLE**

Creditors and advance payable

Accrued Expenses

2,142,046		135,500
90,000		90,000
2,232,046		225,500

**6 OPERATING AND FIXED ASSETS**

Operating Tangible Assets

Operating Intangible Assets

9,030,013		4,745,811
-		1,765
9,030,013		4,747,576

**7 STOCKS & STORES**

Printing &amp; Stationery etc.

NIL		NIL
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**8 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLE**

Advances considered good

Advances to employees

Others

Securities &amp; Deposits

1,524,338		1,220,925
65,425		249,052
75,680		610,850
406,132		2,244,041
2,071,575		4,324,868

**9 CASH AND BANK BALANCES**

Cash in hand

Cash at Bank

136,768		180,540
2,705,602		1,834,001
2,842,370		2,014,541



**10 PROJECTS & PROGRAM RECEIPTS**

Funds received from Projects &amp; Program

39,640,168		69,197,613
39,640,168		69,197,613

**11 PROJECTS & PROGRAM EXPENDITURE /PAYMENTS**

Expenditure &amp; Payments for Projects

Less: Administrative expenses utilized for projects

37,498,122		66,807,293
(17,622,340)		(21,775,144)
19,875,782		45,032,149

**12 ADMINISTRATIVE AND GENERAL EXPENDITURE**

Staff Salaries and Benefits

Travelling.Conveyance fuel and maintenance

Office &amp; Project's places Rent

Telephone and postage, internet etc.

Repair and Maintenance expenses

Vehicle Maintenance

Printing, Stationery and computer accessories

Newspaper and Magazine

Legal and Professional charges

Electric, utilities, water &amp; sanitation bills

Petro &amp; Lubricants

Depreciation

Advertisement

Bank Charges

Auditors fees

Public Relationing and other expenses

Misc. Expenses

12,449,496		15,887,475
765,893		1,335,472
2,142,000		2,873,600
527,914		702,400
203,836		355,425
92,415		135,682
430,553		750,748
28,913		50,415
390,000		375,000
667,144		825,455
158,134		275,735
319,791		361,281
61,245		95,745
75,649		130,245
90,000		90,000
295,630		515,485
215,346		614,981
18,913,959		25,375,144

**Administrative Expenses Break-UP**

Projects Contribution

Own Contribution

17,622,340		21,775,144
1,291,619		3,600,000
18,913,959		25,375,144



**13 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 10-08-2021 by the members of the Board of the Society.

**14 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged where ever necessary for the purpose of the comparison. However, no significant re-arrangement have been made except those required by Revised Fourth Schedule to the Companies Ordinance 1984.

**15 GENERAL**

Figures have been rounded off to the nearest of      thousand of rupees unless otherwise stated.





Operating Tangible Assets

Particulars	Cost		Rate %	Depreciation		WDV
	As at 1 July 20	Addition/ Deletion		As at 1 July 20	For the year	
	As at 30 June 21			As at 6/30/2021		
Land	1,750,038	4,602,228	20	1,183,957	36,897	6,352,266
Vehicle	1,368,444		20	82,840	1,386	147,590
Motor cycles	96,700		10	758,313	57,741	12,474
Furniture & Fixtures	1,335,721		10	1,198,178	104,094	519,667
Computer & Laptops	2,239,121		10	313,989	23,784	936,849
Air conditioners	551,826		10	344,713	31,160	214,053
Equipments	656,317		10	900,623	62,963	280,444
Office	1,530,257		10	4,782,613	318,026	566,671
Total 2020	9,528,424	4,602,228		4,422,201	360,412	9,030,013
Total 2021	9,528,424	0		4,782,613	4,782,613	4,745,811

Operating Intangible Assets

Particulars	Cost		Rate %	deprecia		WDV
	As at 1 July 19	Addition/ Deletion		As at 1 July 19	For the year	
	As at 30 June 20			As at 6/30/2020		
Computer Software	60,000		100	58,235	1,765	-
Total 2020	60,000			58,235	1,765	-
Total 2021	60,000			57,366	869	1,765

