



# Grant Thornton

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**Anjum Asim Shahid Rahman**

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## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Kaarvan Crafts Foundation (the Foundation)** as at **December 31, 2012** and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund balances together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Foundation's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Foundation as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Foundation's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Foundation;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund balances together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at December 31, 2012 and of the surplus, total surplus, its cash flows and changes in fund balances for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

*Anjum Asim Shahid Rahman*

**CHARTERED ACCOUNTANTS**

Engagement Partner: Imran Afzal

Lahore

Dated: *April 05, 2013*

**KAARVAN CRAFTS FOUNDATION***(GUARANTEE LIMITED UNDER SECTION 42)***Income and Expenditure Account****For the year ended 31 December 2012**

	Note	2012 ( Rupees )	2011 ( Rupees )
Income:			
Income from Enterprise Development Program	14	2,043,747	2,444,802
Funds received from MEDA for projects:			
-Pathways and Purse Strings		11,341,813	14,942,746
-Institutional Development for Value Chain Services		-	2,911,709
Punjab Skills Development Fund (PSDF)		14,186,516	-
Consultancy income		91,566	1,530,000
Profit on investments		829,002	1,422,217
Gain on disposal of property and equipment		119,499	-
Other operating income	16	104,101	19,641
<b>Total income</b>		<b>28,716,244</b>	<b>23,271,115</b>
Project expenditures:			
Pathways and Purse Strings	17	12,569,715	14,423,985
Institutional Development for Value Chain Services	18	1,016,336	3,916,791
Punjab Skills Development Fund (PSDF)	19	9,111,767	-
<b>Total project expenditures</b>		<b>22,697,818</b>	<b>18,340,776</b>
Administrative expenses	20	5,987,641	5,251,665
<b>Surplus / (deficit) for the year</b>		<b>30,785</b>	<b>(321,326)</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

  
CHIEF EXECUTIVE  
DIRECTOR

**KAARVAN CRAFTS FOUNDATION***(GUARANTEE LIMITED UNDER SECTION 42)***Balance Sheet****As at December 31, 2012**

	Note	2012 ( Rupees )	2011 ( Rupees )
<b>Assets</b>			
<b>Non-current</b>			
Property and equipment	4	4,458,327	2,998,031
Intangible assets	5	-	132,897
Long term security deposits		252,117	577,889
<b>Non current assets</b>		<b>4,710,444</b>	<b>3,708,817</b>
<b>Current</b>			
Stock in trade	6	451,119	354,041
Trade debts	7	360,484	745,724
Advances, prepayments and other receivables	8	3,740,126	628,157
Short term investment	9	8,000,000	8,000,000
Cash and bank balances	10	1,419,074	4,244,460
<b>Current assets</b>		<b>13,970,803</b>	<b>13,972,382</b>
<b>Total assets</b>		<b>18,681,247</b>	<b>17,681,199</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus	11	15,776,337	15,745,552
<b>Total equity</b>		<b>15,776,337</b>	<b>15,745,552</b>
<b>Liabilities</b>			
<b>Non current</b>			
Provident fund payable		844,868	984,753
<b>Non current liabilities</b>		<b>844,868</b>	<b>984,753</b>
<b>Current</b>			
Trade and other payables	12	2,060,042	950,894
<b>Current liabilities</b>		<b>2,060,042</b>	<b>950,894</b>
<b>Total liabilities</b>		<b>2,904,910</b>	<b>1,935,647</b>
<b>Total equity and liabilities</b>		<b>18,681,247</b>	<b>17,681,199</b>
Contingencies and commitments	13		

The annexed notes 1 to 27 form an integral part of these financial statements.

*MSK*

  
CHIEF EXECUTIVE

  
DIRECTOR