



# Grant Thornton

An instinct for growth™

**Anjum Asim Shahid Rahman**

1-Inter Floor, Eden Centre,  
43-Jail Road, Lahore 54000,  
Pakistan.

T +92 42 37590 214-16,37565 430-31

F +92 42 37599 023

www.gtpak.com

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Kaarvan Crafts Foundation (the Foundation)** as at **December 31, 2013** and the related income and expenditure account, 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 International Standards on Auditing 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, 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, 2013 and of the deficit, 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).

**CHARTERED ACCOUNTANTS**

Engagement Partner: Imran Afzal

Lahore

Date: *April 8, 2014*

**Chartered Accountants**

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

**KAARVAN CRAFTS FOUNDATION***(GUARANTEE LIMITED UNDER SECTION 42)***Balance Sheet****As at December 31, 2013**

	Note	2013 ( Rupees )	2012 ( Rupees )
<b>Assets</b>			
<b>Non-current</b>			
Property and equipment	4	4,270,258	4,458,327
Intangible assets	5	-	-
Long term security deposits		193,038	252,117
<b>Non current assets</b>		<b>4,463,296</b>	<b>4,710,444</b>
<b>Current</b>			
Stock in trade	6	279,744	451,119
Trade debts	7	223,294	360,484
Grant Receivable		1,734,198	2,045,260
Advances, prepayments and other receivables	8	826,148	750,398
Advance Income Tax		1,623,124	944,468
Short term investment	9	5,000,000	8,000,000
Cash and bank balances	10	1,376,396	1,419,074
<b>Current assets</b>		<b>11,062,904</b>	<b>13,970,803</b>
<b>Total assets</b>		<b>15,526,200</b>	<b>18,681,247</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus	11	13,809,255	15,776,337
<b>Total equity</b>		<b>13,809,255</b>	<b>15,776,337</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	12	1,716,945	2,904,910
<b>Current liabilities</b>		<b>1,716,945</b>	<b>2,904,910</b>
<b>Total liabilities</b>		<b>1,716,945</b>	<b>2,904,910</b>
<b>Total equity and liabilities</b>		<b>15,526,200</b>	<b>18,681,247</b>

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

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CHIEF EXECUTIVE

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DIRECTOR

**KAARVAN CRAFTS FOUNDATION***(GUARANTEE LIMITED UNDER SECTION 42)***Income and Expenditure Account****For the year ended December 31, 2013**

	Note	2013 ( Rupees )	2012 ( Rupees )
<b>Income</b>			
Sales		2,242,416	3,976,377
Less: cost of sales	14	(1,734,693)	(2,236,645)
Gross Profit / (Loss)		507,723	1,739,732
Grants	15	11,056,334	25,528,329
Other income	16	1,475,246	1,144,168
Total income		13,039,303	28,412,229
Project Expenditure			
Punjab Skills Development Fund (PSDF)	17	7,063,280	9,111,767
Other projects expenses	18	1,119,330	13,586,051
Total project expenditures		8,182,610	22,697,818
Administrative expenses	19	6,769,783	5,683,626
Other expenses	20	53,992	-
<b>(Deficit) / surplus for the year</b>		<b>(1,967,082)</b>	<b>30,785</b>

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

  
CHIEF EXECUTIVE  
DIRECTOR