



Independent Auditor's Report to the Trustees

Opinion

We have audited the financial statements of **Bright Star Mobile Library**, which comprise the statement of financial position as at June 30, 2020, and the statement of income and expenditure, statement of changes in funds and reserves and statement of cash flows statements 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 give a true and fair view of the financial position of **Bright Star Mobile Library** as at June 30, 2020 and its income and expenditure and its cash flows for the year then ended in accordance with approved 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 entity 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 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 Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

The Trust is responsible for overseeing the entity'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.

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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:

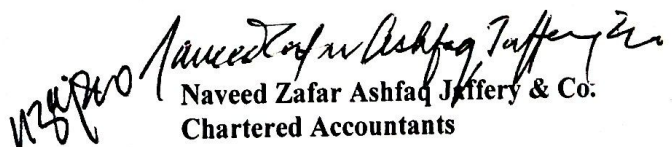
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 entity's internal controls.
- 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 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 entity'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 entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Other Matter(s)

The engagement partner on the audit resulting in this independent auditor's report is **Shah Naveed Saeed**.

Place: Islamabad
Date: 15 FEB 2021


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

**BRIGHT STAR MOBILE LIBRARY
BALANCE SHEET
AS AT JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and equipment	4	5,253,656	6,382,869
Long term Deposits	5	55,000	55,000
		5,308,656	6,437,869
CURRENT ASSETS			
Cash and bank	6	2,738,946	2,477,549
Advances & Prepayments	7	152,083	201,422
		2,891,029	2,678,971
TOTAL ASSETS		8,199,685	9,116,840
CURRENT LIABILITIES			
Accrued and other liabilities	8	31,900	50,000
		31,900	50,000
TOTAL LIABILITIES		31,900	50,000
NET ASSETS		8,167,785	9,066,840
REPRESENTED BY:			
FUNDS AND RESERVES			
General Fund		3,018,492	2,101,236
Deferred Grant		5,149,293	6,965,604
		8,167,785	9,066,840
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes 1-12 form an integral part of these financial statements.


CHAIRMAN




Naveed Iqbal
SECRETARY

**BRIGHT STAR MOBILE LIBRARY
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
Revenue	10	6,558,708	5,482,342
Less: Project Expenses	11	5,641,452	5,299,484
SURPLUS / (DEFICIT) FOR THE YEAR		<u>917,256</u>	<u>182,858</u>

The annexed notes 1-12 form an integral part of these financial statements.

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CHAIRMAN

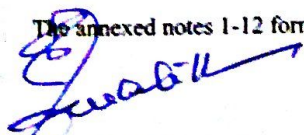
Naveed Iftikhar
SECRETARY



**BRIGHT STAR MOBILE LIBRARY
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	2020 Rupees	2019 Rupees
a) CASH FLOW FROM OPERATING ACTIVITIES		
Surplus before Tax	917,256	182,858
Adjustments for:		
Depreciation	2,165,846	1,976,458
Deferred Grant	(1,816,311)	(1,747,079)
Expenses incurred for the Project activity	-	(63,000)
	<u>1,266,791</u>	<u>349,237</u>
Changes in working Capital		
(Increase) / Decrease in Advances and Prepayments	49,339	(61,772)
Increase / (Decrease) in Accrued Liabilities	(18,100)	37,500
	<u>31,239</u>	<u>(24,272)</u>
Cash used in operations	1,298,030	324,965
Income tax paid	-	(2,167)
Net cash (used)/generated from operating activities	<u>1,298,030</u>	<u>322,798</u>
b) CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) Decrease in security deposit	-	(55,000)
Purchase of Property & Equipment	(1,036,633)	(70,393)
Net cash (used)/generated in investing activities	<u>(1,036,633)</u>	<u>(125,393)</u>
c) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Fund	-	-
Increase in Deferred Grant	-	-
Net cash (used)/generated in financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents (a+b+c)	261,397	197,405
Cash and cash equivalents at the beginning of the year	2,477,549	2,280,144
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>2,738,946</u>	<u>2,477,549</u>

The annexed notes 1-12 form an integral part of these financial statements.


CHAIRMAN



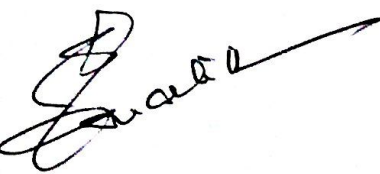


Naveed Gfikhwar
SECRETARY

**BRIGHT STAR MOBILE LIBRARY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

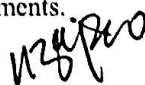
	General fund	Deffered grants	Total
	Rupees		
Balance as at June 30, 2017	1,963,842	9,841,385	11,805,227
Income /(loss for the year)	(45,464)	-	(45,464)
Depreciation on Property, Plant & Equipment.	-	(1,065,702)	(1,065,702)
Balance as at June 30, 2018	1,918,378	8,775,683	10,694,061
Income /(loss for the year)	182,858	-	182,858
Less: Expenses incurred for the Project activity	-	(63,000)	(63,000)
Amortization of Deferred Grant	-	(1,747,079)	(1,747,079)
Balance as at June 30, 2019	2,101,236	6,965,604	9,066,840
Income /(loss for the year)	917,256	-	917,256
Depreciation on Property, Plant & Equipment.	-	(1,816,311)	(1,816,311)
Balance as at June 30, 2020	3,018,492	5,149,293	8,167,785

The annexed notes 1-12 form an integral part of these financial statements.



CHAIRMAN





Naveed Iftikhar
SECRETARY

**BRIGHT STAR MOBILE LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1 LEGAL STATUS AND ITS OPERATIONS

Bright Star is a not-for-profit organization, registered on October 26, 2009 with joint Sub-Registrar under Trust Act, 1882 Islamabad as Trust. The registered office of the Trust is located at House # 2, Murtaza Street, Bani Galla, Islamabad.

The main object of the Trust is to provide mobile library services to schools in order to cultivate and promote good reading habits among young students of primary and middle schools, and to contribute towards grooming today's children of today to become knowledgeable, responsible and healthy adults of tomorrow.

2 BASIS OF PREPARATION

- 2.1** These financial statements have been prepared at the entity level prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting and Reporting Standards for Small-Sized Entities (SSEs) issued by The Institute of Chartered Accountants of Pakistan.
- 2.2** These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective Policies and Notes given hereunder.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting policies as laid down below.

3.1 Property and equipment

Property and equipment except land are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of property and equipment comprises of purchase price, non-refundable local taxes and other directly attributable costs.

Depreciation is charged to expense the straight line method at the rates specified in the property and equipment note. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Renewals and replacements are recognized in the carrying amount of the property and equipment if it is probable that future embodied economic benefits will flow to the Association. Other repairs and maintenance are charged to the income as and when incurred. Gains or losses on disposal, if any, are recognized as and when incurred.

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3.2 Provisions

Provisions are recognized when the entity has a present legal or conservative obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.3 Receivables

Receivables are recognized at nominal amount, which is the fair value of the consideration to be received in future. Balances considered bad and irrecoverable are written off when identified.

3.4 Payables

These are initially carried at their fair value, subsequent to initial recognition, these are stated at their amortized cost

3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

3.6 Income Recognition

Donations received in kind have not been incorporated in these accounts. . Any unspent grant is considered as deferred grant.

3.7 Taxation

No provision for taxation has been made in these accounts as the income/donation of the Trust is exempt from levy of income tax under section 100 (c) of the Income Tax Ordinance, 2001.

3.8 Functional and presentation currency

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

3.9 Volunteer services

The efforts of volunteer workers are not reflected in the accompanying financial statements as these are meagre and no objective basis is available to measure the value of such services.

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BRIGHT STAR MOBILE LIBRARY
NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST				Rate %	ACCUMULATED DEPRECIATION			W.D.V.	
	As at July 01, 2019	Additions/ Transfers	Disposals/ Transfers	As at June 30, 2020		As at July 01, 2019	Disposals/ Transfers	For the year	As at June 30, 2020	As at June 30, 2020
	Rupees					Rupees				
Furniture and fixtures	211,800	204,680	-	416,480	15%	149,657	-	60,507	210,164	206,316
Office equipment	120,906	427,773	-	548,679	15%	78,173	-	75,862	154,035	394,644
Computer Equipment	367,470	404,180	-	771,650	30%	303,417	-	213,166	516,583	255,067
Motor vehicles	9,011,160	-	-	9,011,160	20%	2,853,534	-	1,802,232	4,655,766	4,355,394
Electrical Equipment	70,393	-	-	70,393	20%	14,079	-	14,079	28,158	42,235
Total	2020	9,781,729	1,036,633	-	10,818,362	3,398,860	-	2,165,846	5,564,706	5,253,656
Total	2019	9,711,336	70,393	-	9,781,729	1,422,402	-	1,976,458	3,398,860	6,382,869

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**BRIGHT STAR MOBILE LIBRARY
NOTES TO THE FINANCIAL STATEMENTS**

	Notes	2020 Rupees	2019 Rupees
5 LONG TERM DEPOSITS			
Security Deposits		55,000	55,000
		<u>55,000</u>	<u>55,000</u>
6 CASH AND BANK			
Cash in hand		9,872	1,097
Cash at bank			
United Bank Limited		1,055,993	1,029,894
Standard Chartered		1,673,081	1,446,558
		<u>2,729,074</u>	<u>2,476,452</u>
		<u>2,738,946</u>	<u>2,477,549</u>
7 ADVANCES & PREPAYMENTS			
Prepaid Insurance		152,083	110,087
Withholding Tax advance		-	15,835
Income Tax		-	2,167
Prepaid Rent		-	73,333
		<u>152,083</u>	<u>201,422</u>
8 ACCRUED AND OTHER LIABILITIES			
Audit Fees		31,900	50,000
		<u>31,900</u>	<u>50,000</u>
9 CONTINGENCIES AND COMMITMENTS			
Currently there are no contingencies outstanding against the trust and no commitments are made by the trust.			
	Notes	2020 Rupees	2019 Rupees
10 REVENUE			
Donations	10.1	4,742,397	3,735,263
Ammortization of Deferred Grant		1,816,311	1,747,079
		<u>6,558,708</u>	<u>5,482,342</u>
10.1 Donations			
In cash		11,500	16,830
Trustees		85,000	-
The Asia Foundation	10.1.1	208,797	835,200
Give2Asia	10.1.2	4,437,100	2,883,233
		<u>4,742,397</u>	<u>3,735,263</u>

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BRIGHT STAR MOBILE LIBRARY
NOTES TO THE FINANCIAL STATEMENTS

10.1.1 This represent funds received from "The Asia Foundation", a nonprofit international development organization committed to improving lives across a dynamic and developing Asia.

10.1.2 This represent funds received from "Give2Asia", an organization work for the strengthen the work of local organizations and mobilize support through philanthropic giving from Individuals, Family Foundations, and Corporations.

		2020 Rupees	2019 Rupees
11 PROJECT EXPENSES			
Staff salaries and benefit		1,854,896	2,382,168
Vehicle running and maintenance		96,396	250,638
Insurance		109,917	203,408
Printing and stationery		17,091	76,939
Depreciation	4	2,165,846	1,976,458
Audit Fee		31,900	25,000
Consultancy fee		-	40,000
EOBI Contribution		161,944	-
Office Rent		633,936	36,667
Office Expense		296,457	152,806
Bank Charges		580	1,354
Withholding Tax		60,858	-
Communication		-	62,426
Utility		123,222	25,490
Other		88,409	66,130
		<u>5,641,452</u>	<u>5,299,484</u>

12 GENERAL

12.1 Impact of COVID-19 on Financial Statements

There is no significant financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income or expenses, as disclosed in these financial statements. Therefore, there is no impact of COVID-19 on financial statements.

12.2 These financial statements have been authorized for issue by the board of trustees on 15 FEB 2021

[Signature]
CHAIRMAN

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NAVEED EFFIKHAR
SECRETARY

