



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, 2019, 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, 2019 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.

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: 30 OCT 2019

 
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

BRIGHT STAR MOBILE LIBRARY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	6,382,869	8,288,934
Long term Deposits		55,000	-
CURRENT ASSETS			
Cash and bank	5	2,477,549	2,280,144
Advances & Prepayments	6	199,255	137,483
CURRENT LIABILITIES			
Accrued Liabilities		50,000	12,500
Income tax withheld payable		2,167	-
TOTAL ASSETS		<u>9,066,841</u>	<u>10,694,061</u>
REPRESENTED BY:			
FUNDS AND RESERVES			
General Fund		2,101,236	1,918,378
Deffered Grant	7	6,965,605	8,775,683
		<u>9,066,840</u>	<u>10,694,061</u>
CONTINGENCIES AND COMMITMENTS		-	-

The annexed notes 1-11 form an integral part of these financial statements.


CHAIRMAN




SECRETARY

**BRIGHT STAR MOBILE LIBRARY
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
Income			
Donations received	9	3,735,263	2,733,637
Amortization of Deferred Grant		<u>1,747,079</u>	<u>1,065,702</u>
		5,482,342	3,799,339
Less: Project Cost	10	5,299,484	3,844,803
SURPLUS / (DEFICIT) FOR THE YEAR		<u><u>182,858</u></u>	<u><u>(45,464)</u></u>

The annexed notes 1-11 form an integral part of these financial statements.

12/2/20

[Signature]

CHAIRMAN



Naveed Iqbal

SECRETARY

**BRIGHT STAR MOBILE LIBRARY
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

	2019 Rupees	2018 Rupees
Cash flow from operating expenses		
Surplus/(Deficit)	182,858	(45,464)
Adjustment for:		
Depreciation	1,976,458	1,186,011
Expenses incurred for the Project activity	(63,000)	-
Amortization of Deferred Grant	(1,747,079)	(1,065,702)
	<u>166,379</u>	<u>120,309</u>
Operating profit before working capital changes	349,237	74,845
(Increase)/decrease in current assets	(61,772)	(112,600)
Increase/(decrease) in current liabilities	37,500	2,500
Cash flow from operating activities before taxation	324,965	(35,255)
Income tax paid	(2,167)	-
Net cash (used)/generated from operating activities	<u>322,798</u>	<u>(35,255)</u>
Cash flow from investing activities		
Purchase of fixed assets	(70,393)	(9,223,160)
Payment for Long term deposit	(55,000)	-
Net cash (used)/generated in investing activities	<u>(125,393)</u>	<u>(9,223,160)</u>
Cash flow from financing activities		
Grant Received during the year	-	-
Net cash (used)/generated in financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	197,405	(9,258,415)
Cash and cash equivalents at the beginning of the year	2,280,144	11,538,559
Cash and cash equivalents at the end of the year	<u>2,477,549</u>	<u>2,280,144</u>

The annexed notes 1-11 form an integral part of these financial statements.


CHAIRMAN




Secretary

BRIGHT STAR MOBILE LIBRARY
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED JUNE 30, 2019

	General fund	Deffered grants	Total
	Rupees		
Balance as at June 30, 2016	1,988,919	-	1,988,919
Income /(loss for the year)	(25,077)	-	(25,077)
Add: Fund/ Grant Received during the Year	-	9,859,181	9,859,181
Less: Processing Fee- Bank charges	-	(17,796)	(17,796)
Depreciation on property & equipment	-	-	-
Balance as at June 30, 2017	1,963,842	9,841,385	11,805,227
Income /(loss for the year)	(45,464)	-	(45,464)
Add: Fund/ Grant Received during the Year	-	-	-
Less: Expenses incurred for the Project activity	-	-	-
Depreciation on property & 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
Add: Fund/ Grant Received during the Year	-	-	-
Less: Expenses incurred for the Project activity	-	(63,000)	(63,000)
Depreciation on property & equipment	-	(1,747,079)	(1,747,079)
Balance as at June 30, 2019	2,101,236	6,965,605	9,066,840

The annexed notes 1-11 form an integral part of these financial statements.

12/6/20


CHAIRMAN



Naveed Iqbal
SECRETARY

**BRIGHT STAR MOBILE LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1 STATUS AND ACTIVITIES

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 Statement of Compliance

These financial statements have been prepared under generally accepted accounting principles using accrual basis of accounting.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Accounting convention

These accounts have been prepared under the historical cost convention, without adjustment, if any, for the effects of inflation or devaluation rupee.

3.2 Functional and presentation currency

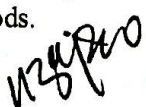
These financial statements are presented in Pakistan Rupees which is also the Trust's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

3.3 Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.



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

3.4 Taxation

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

3.5 Property and equipment

These are stated at cost less accumulated depreciation and any accumulated impairment loss. Cost of property, plant and equipment comprises of purchase price, borrowing cost on qualifying assets, non-refundable local taxes and other directly attributable cost.

The cost of an item of property and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit and loss account in the year assets is de-recognized.

Depreciation on Property & Equipment is charged on straight line method at the rates specified in property & equipment note. Depreciation on addition to property & equipment is charged from the date when it is available for use and ceases at the date when asset is derecognized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Gain or loss, if any, on disposal of fixed assets is included in current year's income.

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

3.6 Revenue recognition

Since all revenues are through donations these are recognized when received.

3.7 Donation-in-kind

Donations received in kind have not been incorporated in these accounts.

3.8 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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4 PROPERTY, PLANT & EQUIPMENT

The following is the statement of Property, Plant & Equipment:

Description	Furniture and fixtures	Office equipment	Computer equipment	Motor Vehicles	Electrical Equipment	Total
Rupees						
Year ended June 30, 2019						
Net carrying value basis						
Opening book value (NBV)	93,913	60,869	174,294	7,959,858	-	8,288,934
Additions (at cost)	-	-	-	-	70,393	70,393
Depreciation charge	(31,770)	(18,136)	(110,241)	(1,802,232)	(14,079)	(1,976,458)
Closing net book value	<u>62,143</u>	<u>42,733</u>	<u>64,053</u>	<u>6,157,626</u>	<u>56,314</u>	<u>6,382,869</u>
Gross carrying value basis						
Cost	211,800	120,906	367,470	9,011,160	70,393	9,781,729
Accumulated depreciation	(149,657)	(78,173)	(303,417)	(2,853,534)	(14,079)	(3,398,860)
Net book value	<u>62,143</u>	<u>42,733</u>	<u>64,053</u>	<u>6,157,626</u>	<u>56,314</u>	<u>6,382,869</u>
Year ended June 30, 2018						
Net carrying value basis						
Opening book value (NBV)	73,702	66,349	111,735	-	-	251,786
Additions (at cost)	54,500	13,500	144,000	9,011,160	-	9,223,160
Depreciation charge	(34,289)	(18,980)	(81,441)	(1,051,302)	-	(1,186,012)
Closing net book value	<u>93,913</u>	<u>60,869</u>	<u>174,294</u>	<u>7,959,858</u>	<u>-</u>	<u>8,288,934</u>
Gross carrying value basis						
Cost	211,800	120,906	367,470	9,011,160	-	9,711,336
Accumulated depreciation	(117,887)	(60,037)	(193,176)	(1,051,302)	-	(1,422,402)
Net book value	<u>93,913</u>	<u>60,869</u>	<u>174,294</u>	<u>7,959,858</u>	<u>-</u>	<u>8,288,934</u>
Depreciation rate % per annum	15%	15%	30%	20%	20%	

4.1 The trust has five vehicles having registration No. X-68-5068, X-68-5069, X-68-5204, X-68-5205, and X-68-5209 provided by World Food Program (WFP) free of cost on November 23, 2010, September 27, 2010, July 23, 2013, July 23, 2013 and March 15, 2014 respectively for a period of five years to facilitate promotion of education amongst school children. WFP reserves the right to call back these vehicles if these are not used for the intended purpose as such these vehicles are not reflected in assets.

4.2 The Trust also acquired two more vehicles on November 30, 2017 financed by The Embassy of Japan in the Islamic Republic of Pakistan for the project for provision of Library Vehicles in support of Mobile Library in Islamabad.

4.3 Electrical Equipment represent UPS purchased for the Project financed by The Embassy of Japan in the Islamic Republic of Pakistan.

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

	Note	2019 Rupees	2018 Rupees
5 CASH AND BANK			
Cash in hand		1,097	1,300
Cash at bank		2,476,452	2,278,844
		<u>2,477,549</u>	<u>2,280,144</u>

6 ADVANCES & PREPAYMENTS

Prepaid Insurance		110,087	121,648
Withholding Tax advance		15,835	15,835
Prepaid Rent		73,333	-
		<u>199,255</u>	<u>137,483</u>

7 DEFFERED GRANT

Opening balance		8,775,683	9,841,385
Grant Received		-	-
Less: Project Cost			
Amortization of Defferd Grant		(1,747,079)	(1,065,702)
Expenses incurred for the Project activity		(63,000)	-
		<u>6,965,605</u>	<u>8,775,683</u>

7.1 The Trust has received Grant from Embassy of Japan in the Islamic Republic of Pakistan for purchase of Vehicles for Mobile Library, Bookshelves, Bus Wrapping ,Installation Electronic Equipment of Vehicles and execution of External Audit.

8 CONTINGENCIES AND COMMITMENTS

Currently there are no contingencies outstanding against the trust and no commitments are made by the trust.

	Note	2019 Rupees	2018 Rupees
9 DONATION RECEIVED			
In cash		16,830	-
Give to Asia	9.1	2,883,233	2,433,637
Others		-	300,000
The Asia Foundation	9.2	835,200	-
		<u>3,735,263</u>	<u>2,733,637</u>

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

- 9.1 This represent funds received from "Give2Asia", an organisation work for the strengthen the work of local organizations and mobilize support through philanthropic giving from Individuals, Family Foundations, and Corporations.
- 9.2 This represent funds received from "The Asia Foundation", a nonprofit international development organization committed to improving lives across a dynamic and developing Asia.

	Note	2019 Rupees	2018 Rupees
10 PROJECT COST			
Staff salaries and benefit		2,382,168	2,002,918
Vehicle running and maintenance		250,638	302,760
Insurance		203,408	113,716
Printing and stationery		76,939	34,634
Depreciation		1,976,458	1,186,011
Audit Fee		25,000	12,500
Consultancy fee		40,000	-
Rent		36,667	-
Office Exenses		152,806	139,716
Utility		25,490	19,846
Communication		62,426	-
Bank Charges		1,354	5,250
Other		66,130	27,452
		<u>5,299,484</u>	<u>3,844,803</u>

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the board of trustees on _____.

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CHAIRMAN



Naveed Afkhar

SECRETARY