



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M/S DEEP FOUNDATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the annexed financial statements of **DEAP FOUNDATION** (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit and loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 (the Code) 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Key audit matters

How the matter was addressed in our audit

1. *Promulgation of Companies Act, 2017*

Companies Act, 2017 ("the Act") was promulgated on May 30, 2017 which introduced certain new requirements including certain changes in accounting and disclosures with respect to preparation of financial statements by companies. The third and fourth schedules to the Companies Act, 2017 became applicable to Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedules) forms an integral part of the statutory financial reporting framework applicable to the Company.

In view of the significant changes in disclosures, we consider it as a key audit matter.

Refer to note 2 to the financial statements.

We obtained an understanding of the requirements regarding preparation and filing of financial statements applicable to the Company and assessed the design and operation of its key controls over preparation and filing of financial statements.

We reviewed minutes of meetings of Board of Directors, Audit Committee and internal audit reports for any recorded instances of potential non-compliance and maintained a high level of vigilance when carrying out other audit procedures for indication of non-compliance.

We reviewed financial statements to ensure completeness and accuracy of disclosures in the financial statements to ensure compliance with reporting and disclosure requirements of Companies Act, 2017.



Key audit matters

How the matter was addressed in our audit

2. Control environment relating to the financial reporting process and related IT systems

The IT control environment relating to the financial reporting process and the application controls of individual IT systems have an impact on the selected audit approach.

As the financial statements are based on extensive number of data flows from multiple IT systems, consequently the financial reporting control environment is determined as a key audit matter.

Our audit procedures included evaluation of the financial reporting process and related control environment, as well as testing of the effectiveness of controls including general IT controls. Our audit procedures focused on testing the reconciliation and approval controls as well as on evaluating the administration of access rights.

Our audit procedures extensively consisted of several substantive procedures as well as data analysis relating to the most significant balances on the profit and loss account and statement of financial position.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of directors is responsible for overseeing the Company's financial reporting process

AUDITORS' 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 auditors' 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 Company's internal control.



- 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's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and loss, statement of comprehensive Income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Mr. Talat Mehboob.

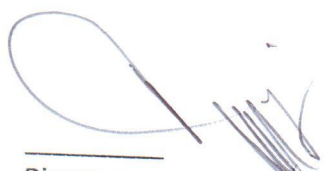
TALAT MEHBOOB & CO
Chartered Accountants

DATE:- 26-09-2018
PLACE: - FAISALABAD

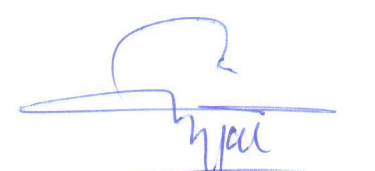
DEAP FOUNDATION
 STATEMENT OF FINANCIAL POSITION
 AS ON JUNE 30, 2018

	<u>2018</u> (PKR)	<u>2017</u> (PKR)
CURRENT ASSETS		
Tax deducted at Source	6,775	2,318
Cash & Bank Balances	<u>60,789</u>	<u>51,796</u>
	67,564	54,114
	<u><u>67,564</u></u>	<u><u>54,114</u></u>
FUNDS & LIABILITIES		
Accumulated Surplus	67,564	54,114
	<u><u>67,564</u></u>	<u><u>54,114</u></u>

(The annexed notes form an integral part of these financial statements). (Auditor's report is annexed hereto.)



 Director



 Chief Executive

**DEAP FOUNDATION
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

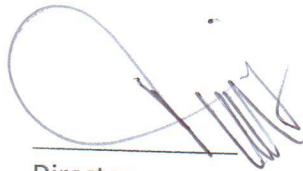
	<u>2018</u> (PKR)	<u>2017</u> (PKR)
Income		
Donations	1,651,700	1,158,546
Expenditures		
Stipends to Trainees	1,593,010	1,111,502
Educational Assistance	30,000	3,500
Webhosting charges	4,600	-
Legal & Professional Charges	-	19,142
Audit Fee	10,000	10,000
Bank Charges	640	105
Total Expenditure	<u>1,638,250</u>	<u>1,144,249</u>
Surplus for the Year	13,450	14,297
Accumulated Surplus Brought Forward	54,114	39,817
Accumulated Surplus	<u><u>67,564</u></u>	<u><u>54,114</u></u>

Director


Chief Executive

DEAP FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	Accumulated Surplus/(Deficit)
	<u>(PKR)</u>
Balance at July 1, 2017	39,817
Total comprehensive income for the year	
Surplus for the year	14,297
Balance at June 30, 2018	<u>54,114</u>
Total comprehensive income for the year	
Surplus for the year	13,450
Balance at June 30, 2018	<u><u>67,564</u></u>



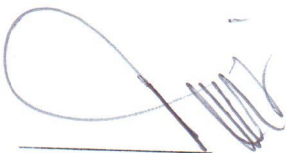
Director



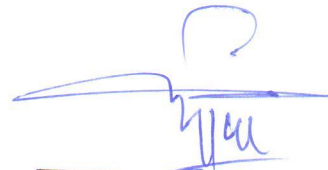
Chief Executive

DEAP FOUNDATION
 STATEMENT OF CASH FLOW
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u> (PKR)	<u>2017</u> (PKR)
Cash Flow from Operating Activities		
Surplus for the year	13,450	14,297
	<u>13,450</u>	<u>14,297</u>
Movement in working capital		
(Increase) / decrease in current assets	(4,457)	(2,318)
Increase/ (decrease) in current liabilities	-	-
Working Capital Change	<u>(4,457)</u>	<u>(2,318)</u>
Net Cash Flow from Operating Activities	<u>8,993</u>	<u>11,979</u>
Cash Flows from Investing Activities		
Assets purchased during the year	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
Cash Flows from Financing Activities		
Advances from Members	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net increase/ (Decrease) in cash and cash equivalents	8,993	11,979
Cash & cash equivalents (Opening)	51,796	39,817
Cash & cash equivalents (Closing)	<u>60,789</u>	<u>51,796</u>



Director



Chief Executive

**DEAP FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2018**

1. STATUS

DEAP FOUNDATION is incorporated as a Non Profit Organisation u/s 42 of the Companies Ordinance, 1984 on December 26, 2006. The main Objective of the Foundation is to promote the welfare activities. The office is located at Office 01, 3rd Floor, Plot 24, Executive Center, I-8 Markaz Islamabad.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These accounts have been prepared in accordance with the Accounting Standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by Standing Interpretation Committee of the IASB, as applicable in Pakistan.

2.2 Accounting Convention

These accounts have been prepared under the historical cost convention on accrual basis of accounting.

2.3 Management Responsibility for Financial Statements

The management of Deap Foundation is responsible for the preparation and presentation of financial statements. The reporting currency of the financial statements is PKR.

2.4 Preliminary Expenses

Preliminary expenses are amortized over a period of three years.

2.5 Authorization of Financial Statements

These financial statements were approved by the Board of Directors of the Company in their meeting held on 27/10/2018.