



April 04, 2023

The Board of Directors  
JFK ANIMAL RESCUE AND SHELTER  
House No. 200, Street 26, Sector-b, Askari 11, Lahore

Respected Ladies and Gentlemen,

**AUDIT OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2022**

We enclose herewith three copies of the financial statements duly initialed by us for your consideration and approval. We shall be pleased to sign our report in the present or amended form after:

1. The financial statements have been considered and approved by the Board and signed by Chief Executive and a Director of the Company.
2. The minutes of board meetings in which financial statements have been approved are received.
3. we have received a letter of representation from the management on the lines of draft enclosed.
4. We have received a directors' report containing minimum content as mentioned in Section 227 of the Companies Act, 2017.
5. We have received bank confirmation of Punjab bank:

We would like to inform the Board that we cannot sign the auditors' report on these financial statements unless we receive confirmation as mentioned above.

We take this opportunity to draw your kind attention to certain accounting and related matters which are set forth in the following paragraphs.

**I. RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS**

The responsibilities of the independent auditor, in a usual examination of financial statements, are explained in International Standard on Auditing – 200. While the auditor is responsible for forming and expressing the opinion on the financial statements, the responsibility for the preparation of financial statements is primarily that of the Company's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of assets of the Company and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

We would like to inform the Board that unless we have signed the auditors' report on these financial statements, the same shall remain and be deemed un-audited. Further we draw your kind attention towards following matters requiring immediate action by the company.

#### CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there were no contingencies and commitments as on the date of the financial statements other than those disclosed in the financial statements.

#### GENERAL

Finally, we wish to place on record our appreciation for the co-operation extended to us during audit.

Yours truly

  
**Alam & Aulakh**  
Chartered Accountants



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF JFK ANIMAL RESCUE AND SHELTER**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of **JFK ANIMAL RESCUE AND SHELTER** (the Company), which comprise the statement of financial position as at June 30, 2022 the statement of income and expenditure, the statement of cash flows, statement of changes in net assets 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 purpose 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 income and expenditure, the statement of cash flows and the statement of changes in net assets 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, 2022 and of the surplus, cash flows and changes in net assets for the period then ended.

**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 *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.

**Information Other than the Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but those 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.

*A.C.*



### **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 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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 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.

A.C.

- 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.

#### Report on Other Legal and Regulatory Requirements

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

- Proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the statement of income and expenditure, the statement of cash flows and the statement of changes in net assets 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 accounts and returns;
- Investment made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- No zakat was deductible at source under the Zakat and Ordinance, 1980 (XVIII of 1980).

The engagement partner on audit resulting in this independent auditors' report is Shan Ibrahim.

na

  
**ALAM & AULAKH**  
CHARTERED ACCOUNTANTS

**Alam & Aulakh**  
Chartered Accountants

Place: Lahore  
Date: April 04, 2023  
UDIN: AR202210049ml2CcIVNf



**JFK ANIMAL RESCUE AND SHELTER  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022**

	Note	June 30, 2022 (Rupees)
<b><u>ASSETS</u></b>		
<b>NON CURRENT ASSETS</b>		
Property and equipments	4	820,610
<b>CURRENT ASSETS</b>		
Advance, deposits and prepayments	5	31,876
Cash and bank balances	6	473,340
		505,216
		<b>1,325,826</b>
<b><u>GENERAL FUND AND LIABILITIES</u></b>		
General fund		
Surplus during the period		1,055,266
		<b>1,055,266</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	7	270,560
Provision for taxation	8	-
		<b>270,560</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-
		<b>1,325,826</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

a.a

Z.Az  
CHIEF EXECUTIVE

JFK ANIMAL RESCUE  
AND SHELTER

JK  
DIRECTOR

**JFK ANIMAL RESCUE AND SHELTER  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE PERIOD ENDED JUNE 30, 2022**

	Note	From June 07, 2021 to June 30, 2022 (Rupees)
Revenue	10	5,936,597
Operating expenses	11	(4,896,061)
<b>Surplus for the period</b>		<b>1,040,536</b>
Financial charges	12	(1,110)
Other income	13	15,840
<b>Surplus before taxation</b>		<b>1,055,266</b>
Taxation	14	-
<b>Net surplus after taxation</b>		<b>1,055,266</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

*a.a*

*Z.A.*  
CHIEF EXECUTIVE

JFK ANIMAL RESCUE  
AND SHELTER

*[Signature]*  
DIRECTOR



**JFK ANIMAL RESCUE AND SHELTER  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED JUNE 30, 2022**

From June 07, 2021 to  
June 30, 2022  
(Rupees)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Surplus before taxation		1,055,266
<b>Adjustment for non-cash items:</b>		
Depreciation		43,190
		<u>1,098,456</u>
<b>Changes in working capital:</b>		
(Increase in ) advances, deposits and prepayments		(29,500)
Increase in trade and other payables		270,560
<b>Cash generated/(used in) from operations</b>		<u>241,060</u>
Income tax paid		(2,376)
<b>Net cash used in operating activities</b>	<b>A</b>	<u><u>1,337,140</u></u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payment for acquisition of property and equipment		(863,800)
<b>Net cash used in investing activities</b>	<b>B</b>	<u><u>(863,800)</u></u>

Net increase in cash and cash equivalents	<b>(A+B)</b>	473,340
Cash and cash equivalents at the beginning of period		-
<b>Cash and cash equivalents at the end of the period</b>		<u><u>473,340</u></u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

a. a

Z. A. T.  
CHIEF EXECUTIVE

JFK ANIMAL RESCUE  
AND SHELTER

[Signature]  
DIRECTOR

**JFK ANIMAL RESCUE AND SHELTER  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE PERIOD ENDED JUNE 30, 2022**

**From June 07, 2021 to  
June 30, 2022  
(Rupees)**

Balance as at June 07, 2021

Surplus during the period

1,055,266

Balance as at June 30, 2022

1,055,266

The annexed notes from 1 to 19 form an integral part of these financial statements.

aa

Z.A7  
CHIEF EXECUTIVE

JFK ANIMAL RESCUE  
AND SHELTER

JFK  
DIRECTOR

**JFK ANIMAL RESCUE AND SHELTER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

**1 STATUS AND OBJECTIVE**

- 1.1** JFK Animal Rescue and Shelter (the Organisation) is a Public limited organisation limited by guarantee not having share capital incorporated in Pakistan on June 07, 2021 under section 42 of the Companies Act, 2017. The objective of organisation is "to promote welfare activities for animals including taking care of stray and sick animals". The registered office of the Organisation is situated at House No. 200, Street 26, Sector-b, Askari 11, Lahore. In addition to registered office, one of the donor has given 4 acre land for shelter in raiwind near manga bypass. This land is not owned by the organization. It is for temporary use.
- 1.2** In accordance with section 223(4) of the Companies Act, 2017, first financial statements may be prepared for a period exceeding one year without any special approval of the registrar. Therefore, these financial statements have been prepared and presented for a period of more than one year beginning from June 7, 2021 to June 30, 2022.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise :

- Revised Accounting and Financial Reporting Standard for small sized Entities (Revised AFRS for SSEs) issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the revised AFRS for SSEs or Accounting Standards for NPOs, the provision of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Accrual basis of accounting**

These financial statements have been prepared on the accrual basis.

**2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention.

**2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with the accounting and financial reporting standards for Small-Sized-Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and equipment

**3 Summary of significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes as explained in notes.

**3.1 Property and equipment**

**Initial Recognition**

All items of property and equipment are initially recorded at cost.

9.9



**JFK ANIMAL RESCUE AND SHELTER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

**Subsequent measurement**

Items of property and equipment are measured using cost model at cost less subsequent accumulated depreciation and impairment losses, if any.

**Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the diminishing balance method at rates specified in note 4 to the financial statements.

Management charges depreciation from the month the assets is acquired and no depreciation is charged in the month in which asset is disposed off.

**Disposal**

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of income and expenditure.

**Judgment and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

**3.2 Advance, deposits and prepayments**

These are recognized and carried at original invoice amount on transaction date less provision for any uncollectable amount. Other receivables and receivables from the related parties are recognized and carried at cost.

An estimate for doubtful debts is made when collection of full amount is no longer probable. Bad debts (if any) are written off to profit and loss statement as and when identified.

**3.3 Cash and bank balances**

Cash and bank balances are carried in the statement of financial position at cost. For purpose of cash flow statement cash and cash equivalents comprise of cash and bank balance. The cash and bank balances are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

**3.4 Trade and other payables**

Trade payables are obligations under normal short-term credit terms. Liabilities for trade and other amounts payable are measured at fair value of the consideration paid or payable in future for goods and services.

**3.5 Provisions**

A provision is recognized in the financial statements when the Organisation has legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

a.a

**JFK ANIMAL RESCUE AND SHELTER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

**3.6 Revenue**

**3.6.1 Donations and grants**

Donations and grants from members and other donors are recognised when a cheque or cash received from members and donors.

**3.6.2 Donations in kind**

Fair market value of donations in kind is recognised when the ownership of that thing is transferred to the organisation.

**3.6.3 Other income**

Other income comprises profit on debt. Profit on debt is recognised when the profit is credited into the bank account since amount is immaterial so non adoption of accrual basis does not impact the financial statements materially.

**3.7 Income tax**

**Current tax**

As per sub-section 2 of 100C of Income tax ordinance, 2001; the Organisation is registered under section 42 of the Companies Act 2017, therefore eligible for 100% tax credit on all its income subject to sub-section 3 of 100C of Income tax ordinance, 2001. Based on that fact, no calculation of tax is made.

**3.8 Offsetting of financial assets and financial liabilities**

Financial asset and financial liability is set off and the net amount is reported in the statement of financial position if the Organisation has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**3.9 Related party transaction**

Related parties comprise associated undertakings, other related companies and key management personnel. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Organisation.

Transactions and contract with related parties, if any, are at arm's length and at market rate. In case, transaction is out side normal course of business or is not conducted at arm's length; Board of Directors either approve or reiterate those transactions.

*a.g*



**JFK ANIMAL RESCUE AND SHELTER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

**4 Property and equipments**

Particulars	Cost				Rate	Depreciation			WDV
	As at	Addition	(Deletion)	As at		As at	For the period	As at	As at
	6/7/2021			30/6/2022		6/7/2021		30/6/2022	30/6/2022
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
RO Plant	-	300,400	-	300,400	10%	-	15,020	15,020	285,380
Furniture and fixture	-	363,400	-	363,400	10%	-	18,170	18,170	345,230
Building	-	200,000	-	200,000	10%	-	10,000	10,000	190,000
<b>2022</b>	-	<b>863,800</b>	-	<b>863,800</b>		-	<b>43,190</b>	<b>43,190</b>	<b>820,610</b>

a.g

**4.1** Depreciation has been charged to operating expenses.



**JFK ANIMAL RESCUE AND SHELTER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

	Note	From June 07, 2021 to June 30, 2022 (Rupees)
<b>5 Advance, deposits and prepayments</b>		
Advance income tax	5.1	2,376
Advance to staff		29,500
		<u><u>31,876</u></u>
<b>5.1 Advance income tax</b>		
Opening balance		-
Advance tax deducted		2,376
Less : Current tax provision adjustment		-
		<u><u>2,376</u></u>
<b>6 Cash and bank balances</b>		
Cash in hand		235,270
Cash at bank		-
- Current		238,070
- Saving		<u><u>473,340</u></u>
<b>6.1</b> The saving account earn interest at floating rates based on daily bank deposit rates ranging from 4% to 6% per annum.		
<b>7 Trade and other payables</b>		
Audit fee payable		65,000
Salaries, wages and other allowances payable		109,800
External veterinary checkups fee for critical cases payable		14,333
Repair and maintaince expense payable		62,351
Payables for animal food		19,076
		<u><u>270,560</u></u>
<b>8 Provision for taxation</b>		
Opening balance		-
Tax expense during the period		-
Adjustment		-
		<u><u>-</u></u>
<b>9 Contingencies and commitments</b>		
There are no contingencies and commitments as on June 30, 2022 .		
<b>10 Revenue</b>		
Members' donations — start-up		600,000
Donations and grants —Local		5,316,821
Donations in kind - animals food		19,776
		<u><u>5,936,597</u></u>

a/a

**JFK ANIMAL RESCUE AND SHELTER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

	Note	From June 07, 2021 to June 30 , 2022 (Rupees)
<b>11 Operating expenses</b>		
Cost of animal food		1,250,385
Animal medicines		799,179
Pet accessories consumed		299,710
Salaries of full-time veterinary doctor		668,720
Salaries of animal handler and cleaner		364,760
Staff welfare		23,670
Printing and stationery		4,600
Repair and maintenance		748,216
Electricity expense		6,760
Fuel expense for rescuing critical cases of sick animals		111,530
Entertainment		303,265
External veterinary checkups fee for critical cases		172,000
Miscellaneous expense		35,076
Audit fee expense		65,000
Depreciation		43,190
		<u><u>4,896,061</u></u>
<b>12 Financial charges</b>		
Bank charges		1,110
		<u><u>1,110</u></u>
<b>13 Other income</b>		
Profit on bank		15,840
		<u><u>15,840</u></u>
<b>14 Taxation</b>		
Current tax expense		-
		<u><u>-</u></u>
<b>15 Number of employees</b>		
Total number of employees at June 30		<u><u>4</u></u>
Average number of employees during the period		<u><u>4</u></u>
<b>16 Remuneration of chief executive, directors and other executives</b>		
<b>Managerial Remuneration</b>	<b>Number of Persons</b>	
Chief executive	1	-
Director	2	-
		<u><u>-</u></u>

**16.1** There are no other executives.

a.a

**JFK ANIMAL RESCUE AND SHELTER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2022**

**17 General**

Figures have been rounded off to the nearest Rupee.

**18 Reporting currency**

The reporting currency of these financial statements is Pakistan rupee denoted as rupees.

**19 Date of authorization**

These financial statements were authorized for issue on 04/04/2023 by the board of directors of the Organisation.

a.a

Z.A.

CHIEF EXECUTIVE

**JFK ANIMAL RESCUE  
AND SHELTER**

Z.A.

DIRECTOR