

SEED OUT
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

June 30, 2020



Waseem & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SEED OUT TRUST

Opinion

We have audited the financial statements of SEED OUT (the trust), which comprise the statement of financial position as at **June 30, 2020**, and the related income and expenditures account, statement of cash flows, statement of changes in accumulated fund 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 present fairly, in all material respects, the financial position of SEED OUT (the trust) as at **June 30, 2020** and of its financial performance and its accumulated fund 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 trust 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The trustees are 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 trustees determine, 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, the trustees are responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the trust'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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Chartered Accountants

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 Trust'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 Trust'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 Trust 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 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 control that we identify during our audit.



WASEEM AND COMPANY
(Chartered Accountants)

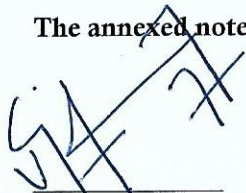
ENGAGEMENT PARTNER: Waseem Mir
Lahore:

Date: 08 SEP 2020

SEED OUT
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

		<u>June 30, 2020</u>	<u>June 30, 2019</u>			<u>June 30, 2020</u>	<u>June 30, 2019</u>
FUND AND LIABILITIES	NOTE	Rupees	Rupees	ASSETS	NOTE	Rupees	Rupees
ACCMULATED FUND				NON-CURRENT ASSETS			
Accumulated fund		2,451,113	1,727,348	Operating assets	8	1,840,168	1,619,062
Surplus of income over expenditure		2,473,361	723,765	Intangible assets	9	3,703,925	3,183,231
		4,924,474	2,451,113			5,544,093	4,802,293
NON CURRENT LIABILITIES				CURRENT ASSETS			
Endowment fund	5	46,695,678	40,124,961	Advances and other receivables	10	40,064,482	27,220,632
				Cash and bank balances	11	6,988,154	13,291,196
						47,052,636	40,511,828
CURRENT LIABILITIES							
Accrued and other liabilities	6	976,577	2,738,047				
Provision for taxation	15	-	-				
		976,577	2,738,047				
CONTINGENCIES AND COMMITMENTS							
	7	-	-				
		52,596,729	45,314,121			52,596,729	45,314,121

The annexed notes 1 to 17 form an integral part of these financial statements.



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SEED OUT
STATEMENT OF INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	June 30, 2020 Rupees	June 30, 2019 Rupees
Income	12	17,089,352	14,302,907
Expenditures	13	(14,570,766)	(13,542,060)
Financial charges	14	(45,225)	(15,911)
		<u>(14,615,991)</u>	<u>(13,557,971)</u>
Surplus before taxation		2,473,361	744,936
Provision for taxation	15	-	(21,171)
Surplus of income over expenditure		<u>2,473,361</u>	<u>723,765</u>

The annexed notes 1 to 17 form an integral part of these financial statements.



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SEED OUT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>June 30, 2020</u> Rupees	<u>June 30, 2019</u> Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus of income over expenditure before tax	2,473,361	744,936
Adjustments for non-cash charges and other items		
Depreciation	441,873	330,561
Loss on disposal of Fixed Assets	400	-
Financial charges	45,225	15,911
	<u>487,498</u>	<u>346,472</u>
EXCESS OF INCOME OVER EXPENDITURE BEFORE CASH FLOW FROM WORKING CAPITAL	<u>2,960,859</u>	<u>1,091,408</u>
(Increase) in current assets		
Advances and prepayments	(12,769,432)	(2,447,640)
Increase in current liabilities		
Accrued and other liabilities	(1,761,470)	597,996
NET CASH (USED IN) WORKING CAPITAL CHANGES	<u>(14,530,902)</u>	<u>(1,849,644)</u>
NET CASH (USED IN) OPERATIONS	<u>(11,570,043)</u>	<u>(758,236)</u>
Tax paid	(74,419)	(105,199)
Financial charges paid	(45,225)	(15,911)
	<u>(119,644)</u>	<u>(121,110)</u>
NET CASH (USED IN) OPERATING ACTIVITIES	<u>(11,689,687)</u>	<u>(879,346)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(1,293,379)	(618,577)
Intangible assets	(520,694)	(1,152,943)
Proceeds from disposal of vehicle	630,000	
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(1,184,072)</u>	<u>(1,771,520)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Endowment fund	6,570,717	5,950,924
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>6,570,717</u>	<u>5,950,924</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(6,303,042)</u>	<u>3,300,058</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>13,291,196</u>	<u>9,991,138</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>6,988,154</u>	<u>13,291,196</u>

The annexed notes 1 to 17 form an integral part of these financial statements.


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SEED OUT
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Trust Fund	Excess of Income over Expenditure	Total
	-----Rupees-----		
Balance as on July 01, 2018	1,727,348	-	1,727,348
Excess of Income over Expenditure	-	723,765	723,765
Transfer to Trust Fund	723,765	(723,765)	-
Balance as on June 30, 2019	2,451,113	-	2,451,113
Excess of Income over Expenditure	-	2,473,361	2,473,361
Transfer to Trust Fund	2,473,361	(2,473,361)	-
Balance as on June 30, 2020	4,924,474	-	4,924,474

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