



4th Annual Report of the Petarian Foundation

July 1

2008

The following pages outline the activities and achievements of the Petarian Foundation during the fiscal year 2007-2008. The complete Audited Statements for the year are also appended.

Including
Audited
Statements

Executive Summary

This fourth annual report of the Petarian Foundation covers the period 1 July 2007 to 30 June 2008, along with audited statements that are appended to this report.

Over the past few years since its inception, the Petarian Foundation has focused on projects that aim at alleviation of poverty in the country regardless of gender, religion, ethnicity or other considerations. Primarily, the Foundation has worked in the areas of education, health, infrastructure improvements, relief and rehabilitation, and welfare.

It is the intention of the Foundation to continue its primary focus on education and infrastructure projects in the poor segments of the society in particular and secondarily in other areas.

With the shortage of energy in the country that is expected to continue, the Foundation would like to develop projects aimed at alternate energy projects in the rural areas of all the four provinces of Pakistan and provide a means for better living standard for them. This can go a long way in improving their livelihood and alleviate poverty.

This year brought our work in the earthquake areas of Bagh, AJK to a close. The Foundation was able to sustain itself over a period of nearly two and a half years, during which a proper community was developed at Sarbuland Village at Bagh, AJK in March 2008, the Petarian Foundation, handed over the homes to the residents giving them full responsibility over their future lives, and exited from the region.

The activities at Petaro continued and the Foundation provided greater facilities and support to Petarians as well. The scholarship program, welfare activities for the staff of the college and Petarians, sponsorship of one junior employee for Hajj, counseling and support for junior ex-cadets, and the IT/Technology solution for the college remained in focus during this year. Our publications got greater acceptance with a tremendous demand from the Petarians.

The Petarian Foundation is one of the few NGOs which have a very low overhead expenditure for overheads. The Board of Directors of the Foundation have never taken any compensation for the work or even for their official expenditures like travel, etc. Likewise, the senior management has not been compensated at all. The people who have been hired for work were those who worked in the field on the projects. Thus, the bulk of the revenues of the Foundation have been spent in actual direct benefits to the beneficiaries.

It should be noted that the total direct administrative expenditures of the Foundation at its Headquarters have been an average of **less than 0.7%** over the past 4 years in comparison of the total expenditures incurred for the projects. Details over these years since its inception are as follows:

Year	2003-2005	2005-2006	2006-2007	2007-2008
Total Annual Expense	2,234,428	23,120,270	7,033,894	1,959,774
HQ Admin Expense	71,405	120,732	7,630	27,425
HQ Exp/Total Expense %	3.2%	0.9%	0.1%	1.4%

Thus, more than 99% of all our revenues directly benefit the poor and the needy with very low administration expenses.

Our website was further developed and all previous audit and annual reports were also posted.

The Petarian Foundation continues to fulfill all legal requirements to ensure total transparency. Reports are filed with the agencies as per the law.

Details of Activities during 2007-2008:

Our activities during this year were a continuation of the thrust of activities over the previous years.

1. Scholarships for CCP cadets:

The Petarian Foundation continues to support the college to provide funds for scholarships for needy cadets who are performing well in their studies. This has been a key program which the Foundation continues to support. During this fiscal year, with the change in the college management, the college was unable to provide the required information for independent monitoring of the performance of cadets who are supported through this program. Therefore, there has been a delay in disbursement of funds for this program during the current fiscal year. We are hopeful that the college will provide the reports of these cadets and will also provide evaluation of new applicants as well. Funds are allocated for this purpose. Each scholarship holder will be provided between Rs. 10,000 to 50,000 depending on the need and performance during the previous year. We are also considering rewarding the top performers on merit basis only as well.

2. Scholarship for ex-cadet for studies at NED University

The Foundation continued support for one of the outstanding ex-cadets for his studies at NED University. This is the third year of support. We continued the Rs. 32,000 scholarship for him.

In addition, the Foundation supported one ex-cadet for his Business Administration program at Bahria University during this year. This cadet was granted Rs. 52,550 as a scholarship for his semester fees.

The Petarian Foundation will consider scholarships for other individual Petarians for higher studies if required.

3. CCP Teacher Training Programs

During the course of this year, further teacher training programs have been evaluated which may benefit the CCP teachers in future years. We continue to support this activity in order to improve the quality of education at Petaro.

4. CCP Golden Jubilee Celebrations

The outfall of the Golden Jubilee Celebrations in February 2007 continued to have an impact on the Foundation's activities during the 2007-2008 fiscal year as well.

The Golden Jubilee publications, namely the Directory of Petarians 2007, Petaro and Petarian Over 50 Years and the book on Col. Coombes continued to have a great demand, and many copies were sold to Petarians. The Foundation raised Rs. 227,150 on this count through such sales.

In addition, the Foundation gave away sets of these books as gift to the current teachers and ex-teachers of the college in appreciation of their contribution to the college.

Some of the payables of the Golden Jubilee were carried forward into this fiscal year as well, and all accounts under this head were settled and cleared.

The Foundation's role in supporting the college was appreciated to a great degree by the Board of Governors of the College and the college management.

5. IT / Technology Solution for the College

During the previous fiscal year, Shahid Mahmud, 74104, General Secretary of the Petarian Foundation had announced a donation of **one crore rupees** to the college in the form of an IT laboratory / Campus wide technology solution that will help the college to become a world class institution to impart quality education. This is the largest single private donation to the college in its history so far. Work on this project continued during this year. A work plan was developed and solutions identified. Appropriate equipment vendors and solution providers were also contacted. Surveys were also conducted at the college to lay the groundwork. It is expected that the first phase of this project will be completed during the next fiscal year.

6. Hajj Sponsorship

This is the second consecutive year when the Petarian Foundation has funded one of the low level employees of the college to proceed for Hajj to Makkah. So far, in the past, the college had funded teachers and staff members for such a sponsorship scheme. However there was no scheme for the low paid employees. This the first such scheme at Petaro funded by the Petarian Foundation. The chosen candidate for this year was Mr. Dheen Muhammad Khaskheli, son of Gul Muhammad, who is a bearer at the Cadets' Mess. He proceeded for Hajj in December 2007.

7. Welfare for College Staff and Petarians / Zakat Collections

One of the college teachers fell ill critically. The Petarian Foundation raised a sum of Rs. 49,089 to partially defray his medical costs.

The Foundation continues to raise funds as Zakat and Sadaqat for such welfare programs and assistance for college employees and Petarians where necessary.

8. Website

The Foundation's official website <http://www.petarianfoundation.org> now provides a full detail of the activities and it. It is constantly updated.

9. Manpower

For the past three years, the accounts staff of Techcorp Holding (Pvt) Ltd. has provided full accounting services to Petarian Foundation on gratis basis. This service continues on the same basis.

During the course of the year, the number of full time staff at Sarbuland Village, Bagh, AJK was reduced gradually as various functions were transferred to the local village management. On an average, around 50 people were employed at Bagh until the handover of the project finally to the local management.

10. Sarbuland Village for the Rehabilitation of Earthquake Victims

This has been the third year running when the Petarian Foundation has operated and managed Sarbuland Village in Bagh. In March 2008, after negotiations with the DC of Bagh and the Chairman of ERRRA, Petarian Foundation finally handed over the management of the village to the residents and exited from the operations. However, the Foundation continues to hold the lease on the land of the village for a period of 15 years, i.e. until the year 2020, which is registered with the office of DC Bagh.

In addition, we also have the rights over the land being used for the healthcare units at Seri Gala and Samni, which were donated to us by the owners. These are now in use by the DHO for health services.

During this year, the total expenditure at Sarbuland Village was Rs. 1,531,434. The bulk of this expense was for salaries of the school staff, medical staff and the maintenance and security crews.

The community at Sarbuland Village continues to flourish as a successful rehabilitation project for the people of the area.

The main beneficiaries of this Village were widows and orphan girls.

Board of Directors:

The Board of Directors continues to be as follows:

- Kazi Zulkader Siddiqui, Chairman
- Shahid Mahmood, General Secretary
- Mahmood Baweja, Treasurer
- Tajammul Husayn, Director
- Qaisar Zaman, Director

Sd.

Chairman
The Petarian Foundation

AUDITORS' REPORT TO THE MEMBER

We have audited the accompanying balance sheet of **PETARIAN FOUNDATION** as at **30th June 2008** and the related statements of income for the year then ended. These financial statements are the responsibility of the firm's management. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE OF WORK

We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income statement give a true and fair view of the state of the firm's affairs as at **30th June 2008** and of the profit and loss for the year then ended.

Place: Rawalpindi

Date: 23-05-09,

Mujeeb
AGHA MUJEEB & CO
Chartered Accountants

Mujeeb
AGHA MUJEEB & CO.
Chartered Accountants
The Mall, Rawalpindi
REG. NO. 245-2008-2009-180

CHARTERED ACCOUNTANTS



PETARIAN FOUNDATION
BALANCE SHEET
AS ON 30 JUNE 2008

	Notes	AMOUNT (Rupees) 2008	AMOUNT (Rupees) 2007
<u>RESERVES AND LIABILITIES</u>			
SURPLUS RESERVE			
Surplus receipts for the year		1,097,960	1,300,112
Accrued Liabilities	3	10,000	55,203
		1,107,960	1,355,315
<u>PROPERTY AND ASSETS</u>			
Fixed Assets	5	382,785	478,480
CURRENT ASSETS			
Advance with staff	6	12,281	-
Prepaid Expenses		-	-
Security Deposit		-	20,000
Cash and bank balances		712,894	856,835
		725,175	876,835
		1,107,960	1,355,315

Annexed Notes form an integral part of these financial statements.


President




General Secretary


ACHA MUJEEB & CO.
Chartered Accountants
The Mall, Rawalpindi.
Ph: 5564245, 0333 5118780
23/05/09



PETARIAN FOUNDATION
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED ON 30 JUNE 2008

	Notes	AMOUNT (Rupees) 2008	AMOUNT (Rupees) 2007
Receipts	7	1,757,622	3,209,559
Earthquake Relief/Reconstruction Expenses	8	1,531,454	4,387,725
Teacher Training expenses	9	0	219,000
Students Scholarship given	10	84,550	782,000
Welfare for CCP employees and Petarians	11	184,089	295,153
CCP Golden Jubilee Expenses	12	132,256	1,342,386
Gross Surplus		(174,727)	(3,816,705)
Administration and general expenses	13	27,425	7,630
Operating Surplus (Deficit)		(202,152)	(3,824,335)
Unappropriated Surplus / (Deficit) brought forward		1,300,112	5,124,447
Unappropriated Surplus / (Deficit) carried forward		1,097,960	1,300,112

Annexed Notes form an integral part of these financial statements.

President



General Secretary

AKIHA MUHAMMAD & CO.
Chartered Accountants
T-10/11, G-1/1, Islamabad
Tel: 5564245, 5564246, 5564247, 5564248

23/05/09.



PETARIAN FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2008

1. STATUS AND NATURE OF BUSINESS

The Society was registered on 15th day of December 2003 under the Societies Act 1860. The Society is principally engaged and setup for the benefit of Alumni Employees and Ex-employees of Cadet College Petaro, offer scholarship, stipends, awards, distribution of free course books to needy and deserving students and to setup educational institutions, establish and operate blood banks.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These accounts have been prepared under the historical cost convention.

2.2 Taxation

No provisions for current taxation is made on surplus receipts as the sponsors of Society intend to apply for exemption from Income Tax and they have reasons to believe that the Society shall be successful in getting the said exemption.

2.3 Fixed capital expenditure

Presently the Society do not have any fixed assets however the management shall maintain Fixed assets at cost less accumulated depreciation and depreciation shall be calculated on reducing balance method. Depreciation shall be charged for full year in the year of purchase while no depreciation shall be charged in the year of disposal.

2.5 Receipts & Payment recognition

Receipts and payments are recognized upon actual delivery or receipt of Cash.

	AMOUNT (Rupees) 2008	AMOUNT (Rupees) 2007
3 Accrued Liabilities		
Fee Payable	10,000	7,505
Golden Jubilee publications balance		39,774
Payable bagh camp (staff)		7,924
Bagh Camp Salaries Payable		
	<u>10,000</u>	<u>55,203</u>
5 Fixed Assets Tangible		
Vehicle (Shehzore truck 2005 model) At cost	373,069	466,336
Motor Bike (Used) At cost	9,716	12,144
	<u>382,785</u>	<u>478,480</u>



ARJAN MUJEEB & CO.
Chartered Accountants
F-55, Block F-5, Islamabad
Phone: 3583222, 3583223

	AMOUNT (Rupees) 2008	AMOUNT (Rupees) 2007
6 Current Assets		
Cash & Bank Balances		
Cash in hand	9,407	139,746
Cash at bank	703,487	717,088
	<u>712,894</u>	<u>856,834</u>
Camp Staff Advances		
Advances for Bagh Project expenses	12281	20,000
	<u>12,281</u>	<u>20,000</u>
7 RECEIPTS		
Donations for Earthquake relief / reconstruction	937,150	1,130,790
Membership fees		1,000
CCP Golden Jubilee ads, books sale, donations	227,150	916,865
Zakat & Welfare donations	59,089	184,100
Donation for Hajj Sponsorship Scheme of CCP Employee		265,000
Other donations		63,000
Scholarship Donation	534,233	648,804
Total Receipts	<u>1,757,622</u>	<u>3,209,559</u>
8 Earthquake Relief Expenditures		
<u>Sarbuland Village / BHU Medical relief</u>		
Salaries & Wages (Doctors & Coordinators)	54,000	400,100
Air Fare Doctor travelling from Karachi to Islamabad		31,328
	<u>54,000</u>	<u>431,428</u>
<u>Sarbuland Public School Expenses</u>		
Salaries & Wages (Sarbuland School staff)	742,500	848,500
Printing, stationary, etc		10,972
	<u>742,500</u>	<u>859,472</u>
<u>Sarbuland Village construction/maintenance Expenses</u>		
Material & Labour for infrastructure Dev & Construction		1,312,275
Salaries & Wages (Sarbuland Security & Maintenance Staff)	557,000	1,124,540
Bagh Camp Messing Exp		151,147
	<u>557,000</u>	<u>2,587,962</u>
<u>Administrative Expenses at Sarbuland Village</u>		
Vehicle Repair & Maint. at Bagh Camp		44,762
Vehicle Fuel & Toll Tax		120,128
Vehicle Insurance		22,930
Vehicle Deprecation	95,696	269,145
General Admin Exp	1,655	13,388
Mobile & Internet Charges	25,450	37,595
Camp. Landline Telephone charges	20,000	
Postage Exp.	428	0
Traveling exp/TA DA for employees	34,725	915
	<u>177,954</u>	<u>508,863</u>
Total Earthquake Relief & Reconstruction expenses	<u>1,531,454</u>	<u>4,387,725</u>
9 CCP TEACHER TRAINING		
CCP Teacher Training at Berlitz Centre		200,000
CCP Teacher Training at Aga Khan Center		19,000
	<u>0</u>	<u>219,000</u>



	AMOUNT (Rupees) 2008	AMOUNT (Rupees) 2007
10 STUDENT SCHOLARSHIP		
Scholarship for CCP students		750,000
Scholarship for CCP ex-cadets for higher studies	84,550	32,000
	<u>84,550</u>	<u>782,000</u>
11 Welfare for CCP employees & Petarians		
Hajj sponsorship scheme for CCP employee	135,000	145,153
Medical expenses relief for CCP teacher	49,089	150,000
	<u>184,089</u>	295,153
12 CCP Golden Jubilee Expenses		
Postage & cargo expenses for Golden Jubilee books		33,564
Printing of Golden Jubilee books		943,400
Salaries for Staff for Golden Jubilee	37,126	263,500
Golden Jubilee Expenses for support to CCP	95,130	101,922
	<u>132,256</u>	<u>1,342,386</u>
13 ADMINISTRATIVE & GENERAL EXPENSES		
Salaries - Head Office	0	0
Legal & Professional Fee	17,500	
Insurance charges		
Bank charges Karachi and Islamabad	9,925	7,630
	<u>27,425</u>	<u>7,630</u>









OPERATING FIXED ASSETS - TANGIBLE

	COST			DEPRECIATION			WRITTEN DOWN VALUE		
	As at 1 July 2007	Additions / (Deletion) *Transfer	As at 30 June 2007	As at 1 July 2006/ Adjustments	For the Year	As at 30 June 2008	As at 30 June 2008	Annual rate of depreciation	
<u>Owned assets</u>									
Vehicles Shahzore	728,650	-	728,650	262,314	93,267	355,581	373,069	20%	
Motor Cycle	18,976	-	18,976	6,831	2,429	9,260	9,716	20%	
	747,626	-	747,626	269,145	95,696	364,841	382,785		
Rupees	2008		747,626	-	747,626	269,145	149,525	364,841	382,785

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