

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Amanatdaar Welfare Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Amanatdaar Welfare Trust (the Trust), which comprise the statement of financial position as at 30 June 2021, and the statement of income and expenditure, the statement of changes in accumulated fund, and the statement of cash flow 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 the Trust as at 30 June 2021 and its financial performance 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 Fund 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 Trustees for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Trust Deed, and for such internal control as the 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the management intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Fund'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, 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 Fund'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 Fund'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 Fund 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 Trustees 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.

The engagement partner on the audit resulting in this independent auditor's report is Pervez.



Chartered Accountants

Date: 20 DEC 2021

Karachi




Statement of Financial Position
As at 30 June 2021

		2021			
		Unrestricted	Restricted	Total	
		----- (Rupees) -----			
Notes					
ASSETS					
Non current assets					
	Equipment	4	1,068,664	-	1,068,664
Current assets					
	Advance tax		154,323	-	154,323
	Cash and bank balances	5	514,348	880,760	1,395,108
			668,671	880,760	1,549,431
	Total current assets		1,737,335	880,760	2,618,095
Fund Balances And Liabilities					
ACCUMULATED FUND BALANCES					
	Unrestricted Fund		(781,373)	-	(781,373)
	Restricted Fund		-	880,760	880,760
			(781,373)	880,760	99,387
CURRENT LIABILITIES					
	Creditors and other payables	6	2,518,708	-	2,518,708
	<i>Contingencies & Commitments</i>	7			
	TOTAL FUND BALANCES AND LIABILITIES		1,737,335	880,760	2,618,095

The annexed notes from 1 to 13 form an integral part of these financial statements.


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Statement of Income and Expenditure

For the period from August 11, 2020 till June 30, 2021

	Notes	2021		
		Unrestricted	Restricted	Total
		----- (Rupees) -----		
Income				
Donations		34,696,251	-	34,696,251
Zakat		-	880,760	880,760
		<u>34,696,251</u>	<u>880,760</u>	<u>35,577,011</u>
Restricted Fund Movement				
Opening balance		-	-	-
Closing balance		-	-	-
		-	-	-
Income recognized during the year		<u>34,696,251</u>	<u>880,760</u>	<u>35,577,011</u>
Expenditure				
Welfare project expenses	8	33,745,739	-	33,745,739
Administrative expenses	9	1,711,529	-	1,711,529
		<u>35,457,268</u>	<u>-</u>	<u>35,457,268</u>
Surplus before tax the period		<u>(761,017)</u>	<u>880,760</u>	<u>119,743</u>
Current tax	10	(20,356)	-	(20,356)
Surplus after tax for the period		<u>(781,373)</u>	<u>880,760</u>	<u>99,387</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.



TRUSTEE

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Statement of Changes In Accumulated Fund

For the period from August 11, 2020 till June 30, 2021

	Unrestricted	Restricted	Total
	----- (Rupees) -----		
Opening balance	-	-	-
Surplus transferred from income and expenditure account	(781,373)	880,760	99,387
Net restricted fund transferred from income and expenditure account	-	-	-
Balance as at 30 June 2021	<u>(781,373)</u>	<u>880,760</u>	<u>99,387</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.



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**Statement of Cash Flows***For the period from August 11, 2020 till June 30, 2021*

	<i>Note</i>	For the period from August 11, 2020 till June 30, 2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus before tax		99,387
Adjustments for:		
Depreciation	4	54,936
Finance cost		-
		54,936
Operating profit before working capital changes		154,323
Changes in working capital <i>(Increase) / decrease in current assets</i>		-
<i>Increase / (decrease) in current liabilities</i> Creditors and other payables		2,518,708
		2,518,708
Finance cost paid		-
Taxes paid		(154,323)
Net cash generated from operating activities		2,518,708
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		(1,123,600)
Net cash used in investing activities		(1,123,600)
CASH FLOW FROM FINANCING ACTIVITIES		
Net (decrease) / increase in cash and cash equivalents		1,395,108
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year		1,395,108

The annexed notes from 1 to 13 form an integral part of these financial statements.



TRUSTEE

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Notes to the Financial Statements

For the period from August 11, 2020 till June 30, 2021

1. STATUS AND NATURE OF BUSINESS

- 1.1 Amanatdaar Welfare Trust (the Trust) was incorporated in Pakistan (Registration # 217) on August 11, 2020 under The Trust Act 1882. The main objective of the Trust is to engage in well being of under privileged people. The Trust provides food, clothes and cash to needy people. The registered office address of the Trust is situated at Office no. 22, Mezzanine floor, Shaheen Towers, Block 6, P.E.C.H.S,

2. ACCOUNTING CONVENTION AND 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 of:

- Revised accounting and financial reporting standards for the Small Sized Entities (Revised AFRS for SSE's) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017
- Accounting Standard for Not for Profit Organizations (Accounting Standard 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 provisions of and directives issued under the Companies Act, 2017 differ from the AFRS for SSEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards 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 Trust's accounting policies. The areas involving a high degree of judgement 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:


	<i>Notes</i>
a) Operating fixed assets - depreciation	3.1
b) Taxation	3.5
c) Provisions	3.7

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Trust. Figures have been rounded off to nearest rupees.

3. SIGNIFICANT ACCOUNTING POLICES

The significant accounting polices applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated: 



Notes to the Financial Statements

For the period from August 11, 2020 till June 30, 2021

3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent cost

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and its cost can be reliably measured. Cost incurred to replace a component of an item of property, and equipment is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation

Depreciation on all items of operating fixed assets is charged to income and expenditure account applying the reducing balance method. Depreciation rates are disclosed in note 4 of the financial statements. On additions to operating fixed assets, depreciation is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed-off.

Disposal

Gains or losses on disposal or retirement of items of operating fixed assets are determined as the difference between the sale proceeds and the carrying amounts of assets and are included in the income and expenditure account.

Impairment

The Trust assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to income and expenditure account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

3.2 Cash and cash equivalents

These are carried at cost. Cash and cash equivalents comprise of cash in hand and bank balances.

3.3 Accrued expenses and other liabilities

Accrued expenses, and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust.

3.4 Income recognition

- Donations and Zakat are recognized as income as and when received. Donations in kind are recognized at fair value prevailing at the time of receipt of such donations.
- Return on bank deposits is accounted for an accrual basis.

3.5 Taxation

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any.



Notes to the Financial Statements

For the period from August 11, 2020 till June 30, 2021

3.6 Funds

Unrestricted funds

Funds received for ongoing operations of the Trust, without any restriction on utilization, are classified as unrestricted funds. These funds are recognized as income when received. The disbursement incurred against such funds are recognized in the income and expenditure account as and when incurred.

Restricted funds

Funds received as donations and Zakat for specific purposes are classified as restricted fund. For this purpose:

- When donations and Zakat received are in excess of their outlay, these are recognized as income to the extent of related/budgeted expenses incurred. The excess balance is carried forward as restricted fund balance; and
- In case when donations and Zakat received are less than related expenditure incurred, the balance to the extent commitment is recognized as receivable, if there is a strong probability of recovery of the contractual receivable from the respective donors.

3.7 Provisions

A provision is recognized in the statement of financial position when the Trust has legal or constructive obligation as a result of the past event, and it is probable that an outflow of economics benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Subsequently, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4. EQUIPMENT

	Rate %	2021			Written down value as at 30 June 2021
		Opening balance	Additions	Disposal	
----- (Rupees) -----					
Unrestricted					
Equipment's	15	-	63,600	-	61,664
Generator	15		1,060,000		1,007,000
		-	1,123,600	-	1,068,664

2021		
Unrestricted	Restricted	Total
----- (Rupees) -----		

5. CASH AND BANK BALANCES

Cash in hand	133,787	-	133,787
Cash at bank in current accounts	380,561	880,760	1,261,321
	514,348	880,760	1,395,108

**Notes to the Financial Statements***For the period from August 11, 2020 till June 30, 2021*

		2021		
		Unrestricted	Restricted	Total
		----- (Rupees) -----		
6	CREDITORS AND OTHER PAYABLES			
	Creditors	2,393,908	-	2,393,908
	Other payables	124,800	-	124,800
		<u>2,518,708</u>	<u>-</u>	<u>2,518,708</u>

7 CONTINGENCIES & COMMITMENTS

There were no contingencies and commitments as at 30 June 2021.

		2021		
		Unrestricted	Restricted	Total
		----- (Rupees) -----		
8.	WELFAR PROJECT EXPENSES			
	Save Human Life - Dastarkhawan	22,078,056	-	22,078,056
	Save Human Life - Ration distribution	1,805,675	-	1,805,675
	Save Human Life - Bored well - Karachi	1,539,750	-	1,539,750
	Save Human Life - Bored well - Interior Sindh	1,970,326	-	1,970,326
	Save Human Life - Civil construction	305,000	-	305,000
	Save Human Life - Small business support	190,000	-	190,000
	Save Human Life - Orphans support / needy cases	1,787,484	-	1,787,484
	Save Human Life - Distribution of coolers	534,400	-	534,400
	Qurbani / Sadqa	280,800	-	280,800
	Education - Arena, Aptech, Iqra	993,950	-	993,950
	Clothing	1,920,238	-	1,920,238
	Health is wealth	340,060	-	340,060
		<u>33,745,739</u>	<u>-</u>	<u>33,745,739</u>

9. ADMINISTRATIVE EXPENSES

	Salaries and wages	1,334,931	-	1,334,931
	Repair and maintenance-computer	28,000	-	28,000
	Conveyance, Fuel & Maintenance	69,395	-	69,395
	Repair and maintenance-office	30,396	-	30,396
	Web Hosting / Domain	42,490	-	42,490
	Printing and stationery	96,538	-	96,538
	Entertainment	21,598	-	21,598
	Advertisement & Publicity	24,154	-	24,154
	Postage and courier	8,390	-	8,390
	Depreciation	54,936	-	54,936
	Bank Charges	701	-	701
		<u>1,711,529</u>	<u>-</u>	<u>1,711,529</u>

9.1 During the period, the Trustees have provided following facilities free of cost:

- '- Office space
- '- Utilities
- '- Furniture & Fixtures
- '- Computer peripherals
- '- Vehicle
- '- Software Application

9.2 No remuneration has been paid to the Trustees during the period



10. TAXATION

This is the first year since the Trust has started its operating activities. The provision for current tax charge has been made by applying relevant rate of tax as per Income Tax Ordinance 2001.

11. NUMBER OF EMPLOYEES

Total number of employees of the Trust as at 30 June 2021 is 8.

12. GENERAL

Figures have been rounded off to the nearest


13. DATE OF AUTHORISATION

These financial statements have been authorized for issue on _____ by the Trustees.

20 DEC 2021



TRUSTEE



TRUSTEE

Narrated 'Abdullah bin 'Amr:

A man asked the Prophet, "What sort of deeds or (what qualities of) Islam are good?"
The Prophet replied, 'To feed (the poor) and greet those whom you know and those whom you do not know.

(See Hadith No. 27).



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