

**Balqees Welfare Foundation**

**Financial Statements**

**For the year ended June 30, 2021**

## **Independent Auditors' Report to the Members of Balqees Welfare Foundation**

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

#### **Opinion**

We have audited the annexed financial statements of **Balqees Welfare Foundation** (the Company), which comprise the statement of financial position as at June 30, 2021, and the revenue and expenditure account, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows 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 revenue and expenditure account, statement of comprehensive income, the statement of changes in fund, and the statement of cash flows 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, 2021 and of the (expenditure over revenue), the comprehensive income, the changes in fund and its cash flows 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 Auditor's 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 Statement and Auditors' report thereon**

Management is responsible for the other information presented along with the financial statements and the auditors' report thereon. With respect to the Company the other information comprises only the Director's Report on the operations of the Company.

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 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 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 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 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 auditor's 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 revenue and expenditure account, the statement of comprehensive income, the statement of changes in fund and the statement of cash flows 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. Masoom Akhtar, FCA.

Place: **Islamabad**

Dated: **October 15, 2021**



  
**MASOOM AKHTAR & CO.**  
**CHARTERED ACCOUNTANTS**



**Balqees Welfare Foundation**

**(A Company incorporated under Section 42 of the Companies Act, 2017)**

**Statement of Financial Position as at June 30, 2021**

<b><u>Fund and liabilities</u></b>	<b><u>Note</u></b>	<b><u>2021</u></b> <b><u>(Rupees)</u></b>	<b><u>2020</u></b> <b><u>(Rupees)</u></b>
<b>Fund account</b>	4	871,780,263	5,779,218
<b>Current liabilities</b>			
Accrued and other liabilities	5	94,050	244,600
<b>Contingencies and commitments</b>	6	-	-
		<b><u>871,874,313</u></b>	<b><u>6,023,818</u></b>
<b><u>Assets</u></b>			
<b>Non-current assets</b>			
Property and equipment	7	800,705,074	-
<b>Current assets</b>			
Advances, deposits and other receivables	8	920,000	2,046,000
Taxation	9	172,035	172,035
Cash and bank balances	10	70,077,204	3,805,783
		71,169,239	6,023,818
		<b><u>871,874,313</u></b>	<b><u>6,023,818</u></b>

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

  
Chief Executive Officer

  
Director

**Balqees Welfare Foundation**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**  
**Revenue and Expenditure Account**  
**For the year ended June 30, 2021**

	<u>Note</u>	<u>2021</u> (Rupees)	<u>2020</u> (Rupees)
<b>Revenue</b>		-	-
<b>Less: Expenditure</b>			
Operation support expenditure	11	2,791,027	724,985
Programme activities	12	35,160,624	26,601,531
		<u>37,951,651</u>	<u>27,326,516</u>
<b>Excess of (expenditure over revenue) from operational activities</b>		<u>(37,951,651)</u>	<u>(27,326,516)</u>
Donations	13	20,108,175	22,755,301
Taxation	14	-	-
<b>Excess of (expenditure over revenue)</b>		<u><u>(17,843,476)</u></u>	<u><u>(4,571,215)</u></u>

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

  
**Chief Executive Officer**

  
**Director**



**Balgees Welfare Foundation**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**  
**Statement of Comprehensive Income**  
**For the year ended June 30, 2021**

	<b><u>2021</u></b> <b>(Rupees)</b>	<b><u>2020</u></b> <b>(Rupees)</b>
Excess of (expenditure over revenue)	(17,843,476)	(4,571,215)
Other comprehensive income	-	-
<b>Total comprehensive (expenditure over revenue)</b>	<b><u>(17,843,476)</u></b>	<b><u>(4,571,215)</u></b>

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

  
Chief Executive Officer

  
Director

**Balqees Welfare Foundation**

**(A Company incorporated under Section 42 of the Companies Act, 2017)**

**Statement of Changes in Fund**

**For the year ended June 30, 2021**

	<u>General fund</u> <u>account</u> <u>(Rupees)</u>	<u>Funds for</u> <u>specific purposes</u> <u>(Rupees)</u>	<u>(Deficit) for the</u> <u>year</u> <u>(Rupees)</u>	<u>Total</u> <u>(Rupees)</u>
Balance as at June 30, 2019	-	-	-	10,350,433
Total comprehensive income for the year	-	-	(4,571,215)	(4,571,215)
Balance as at June 30, 2020	-	-	(4,571,215)	5,779,218
Total comprehensive (deficit) for the year	-	883,844,521	(17,843,476)	866,001,045
Balance as at June 30, 2021	-	<u>883,844,521</u>	<u>(22,414,691)</u>	<u>871,780,263</u>

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

  
Chief Executive Officer

  
Director



**Balqees Welfare Foundation**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**  
**Statement of Cash Flows**  
**For the year ended June 30, 2021**

	<b><u>2021</u></b> <b>(Rupees)</b>	<b><u>2020</u></b> <b>(Rupees)</b>
<b>Cash flow from operating expenses</b>		
Excess of (expenditure over revenue)	(17,843,476)	(4,571,215)
Adjustment for:		
	-	-
<b>Operating (expenditure over revenue) before working capital changes</b>	(17,843,476)	(4,571,215)
Decrease/(increase) in current assets	1,126,000	(2,046,000)
(Decrease)/increase in current liabilities	(150,550)	244,600
<b>Net cash generated from operating activities</b>	(16,868,026)	(6,372,615)
Income tax paid	-	(103,314)
<b>Net cash flow from operating activities</b>	(16,868,026)	(6,475,929)
<b>Cash flow from investing activities</b>	(800,705,074)	-
<b>Net cash (used)/generated in investing activities</b>	(817,573,100)	(6,475,929)
<b>Cash flow from financing activities</b>	-	-
Donations for specific purposes	883,844,521	-
<b>Net cash (used)/generated in financing activities</b>	883,844,521	-
<b>Net increase in cash and cash equivalents</b>	66,271,421	(6,475,929)
<b>Cash and cash equivalents at the beginning of the year</b>	3,805,783	10,281,712
<b>Cash and cash equivalents at the end of the year</b>	(10) <b>70,077,204</b>	<b>3,805,783</b>

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

  
**Chief Executive Officer**

  
**Director**

**Balqees Welfare Foundation**

**(A Company incorporated under Section 42 of the Companies Act, 2017)**

**Notes to the Financial Statements**

**For the year ended June 30, 2021**

**1. Status and objective**

Balqees Welfare Foundation, a not for profit company established under Section 42 of the Companies Act, 2017, was incorporated on September 07, 2018. The Licence was granted under Section 42 of the Companies Act, 2017 by SECP on July 17, 2018. The office of the company is located at House No. C 51/2, Satellite Town, Rawalpindi.

The object of the company is to establish, maintain, aid, run, manage, support, assist and / or administer aid programmes providing relief and help to the needy, the poor and the destitute, undertake charitable and philanthropic activities for the benefit of the mankind and work for alleviation of human sufferings from catastrophes.

**2. Statement of compliance and significant accounting estimates**

**2.1) Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2) Basis of measurement**

These financial statements have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

**2.3) Functional and presentation currency**

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

**2.4) Use of significant estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards that requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs. ↘



## 2.5) **New and revised standards and interpretations**

2.5.1) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8	Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, plant and equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business combinations (Amendments)	January 1, 2022
IFRS 7	Financial instruments: Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentations/ disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Boards (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan.


IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 17 Insurance Contracts

The following interpretation issued by the IASB has been waived off by SECP:  
IFRIC 12 Service concession arrangements

## 3. **Summary of significant accounting policies**

The principal accounting policies which have been adopted in the preparation of these financial statements are as follows:

### 3.1) **Accounting estimates**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised in any future periods affected. 

### 3.2) Operating fixed assets

- Tangible operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any;
- Depreciation on operating assets is charged on reducing balance method;
- Depreciation on additions is charged from the month of the assets are available for use while no depreciation is charged in the month in which the assets are disposed off;
- Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss, if any, on disposal of fixed assets is included in current year's income.

### 3.3) Operating fixed assets

#### - Leased assets

The company is the lessee.

At inception of a contract, the company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 01, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustments made to the carrying amount of right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. 2



**3.4) Impairment**

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

**3.5) Cash and cash equivalents**

These include cash in hand and cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

**3.6) Employees' retirement benefits**

The company operates a non-contributory, unapproved and unfunded gratuity scheme for its employees. The amount of gratuity admissible shall be a sum equal to one month's basic salary for each year of satisfactory service completed. However, no provision has been provided in these financial statements as company has no permanent employee at its strength.

**3.7) Revenue recognition**

Revenue and expenditures are recognized on actual receipt and payment basis.

**3.8) Donation-in-kind**

Donations-in-kind received has been valued and recorded at their estimated fair value as provided by the donor or, in absence of donor's valuation, at wholesale values estimated by the organization, at the time the goods are received from the donor.

**3.9) Volunteer services**

The efforts of volunteer workers are not reflected in the accompanying financial statements, in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the organization.

**3.10) Taxation**

No provision for taxation has been made in these financial statements as the income of the company is eligible for tax credit equal to one hundred percent under sub-section 2(d) and 2(f) of section 100C of the Income Tax Ordinance, 2001 being a charitable institution not for making profit. The Company was granted approval under section 2(36) of the Income Tax Ordinance, 2001 by Federal Board of Revenue on September 04, 2020.

	<u>2021</u> (Rupees)	<u>2020</u> (Rupees)
<b>4. <u>Fund account</u></b>		
Balance as on July, 01	5,779,218	10,350,433
Add: Excess of (expenditure over revenue)	(17,843,476)	(4,571,215)
	<u>(12,064,258)</u>	<u>5,779,218</u>
Funds for specific purposes	883,844,521	-
	<u><u>871,780,263</u></u>	<u><u>5,779,218</u></u>
<b>5. <u>Accrued and other liabilities</u></b>		
Audit fee payable	92,800	69,600
Withholding income tax payable	1,250	-
Staff salaries	-	150,000
Professional fee payable	-	25,000
	<u><u>94,050</u></u>	<u><u>244,600</u></u>
<b>6. <u>Contingencies and commitments</u></b>		
a) <b><u>Contingencies</u></b>		
Currently there are no contingencies against the company in foreseeable future.		
b) <b><u>Commitments</u></b>		
Currently there are no commitments made by the company.		

		<b>2021</b> <b>(Rupees)</b>	<b>2020</b> <b>(Rupees)</b>
<b>7. Property and equipment</b>			
Operating assets	(7.1)	798,705,074	-
Construction work in progress	(7.2)	2,000,000	-
		<b>800,705,074</b>	<b>-</b>

**7.1) Operating assets**

Particulars	As at 01.07.2020	Additions	(Disposals)	As at 30.06.2021	Rate %	Depreciation			W.D.V As at 30.06.2021
						As at 01.07.2020	Normal	Total	
Lease hold land									
Property D.E Plot # 17-B	-	379,999,000	-	379,999,000	-	-	-	-	379,999,000
Property D.E Plot # 17-E	-	418,706,074	-	418,706,074	-	-	-	-	418,706,074
<b>Rupees - 2021</b>	<b>-</b>	<b>798,705,074</b>	<b>-</b>	<b>798,705,074</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>798,705,074</b>

**7.2) Construction work in progress**

Balqees Welfare Foundation paid the advance amount of Rs. 2,000,000/= to M/s Icon Architecture and Design for provide the services of all architectural drawings and also coordination with structure /MEP engineers. The total fee on Lumpsum basis is Rs. 6,000,000. The require amount will pay after the completion of all architectural drawings.

**8. Advances, deposits and other receivables**

**Advances - (unsecured and considered good)**

Advances to others	900,000	2,000,000
To staff against salary	20,000	46,000
	<b>920,000</b>	<b>2,046,000</b>

**9. Taxation**

Withholding tax on cash withdrawals from bank

172,035	172,035
<b>172,035</b>	<b>172,035</b>

**10. Cash and bank balances**

Cash in hand	16,200	46,684
Cash at bank - current account	70,061,004	3,759,099
	<b>70,077,204</b>	<b>3,805,783</b>

		<u>2021</u> (Rupees)	<u>2020</u> (Rupees)
<b>11. <u>Operation support expenditures</u></b>			
Salaries and benefits	(11.1)	2,403,300	450,000
Entertainment		122,900	-
Auditor's remuneration		92,800	69,600
Printing and stationery		56,675	14,135
Office repair and maintenance		54,733	-
Fee and subscription		35,575	121,200
Newspaper and periodicals		7,740	-
Travelling and conveyance		7,054	7,515
Office supplies		6,740	13,494
Postage and courier charges		3,510	-
Legal and professional charges		-	25,000
Miscellaneous expense		-	20,156
Financial charges		-	2,585
Computer accessories		-	1,300
		<u>2,791,027</u>	<u>724,985</u>
<b>11.1) Salaries and benefits</b>			
Staff salaries		2,185,000	450,000
Bonus		180,000	-
Medical to staff		26,000	-
Staff uniform		12,300	-
		<u>2,403,300</u>	<u>450,000</u>
<b>12. <u>Programme activities</u></b>			
12.1) In cash	(12.1)	11,670,643	11,231,568
12.2) In kind	(12.2)	23,489,981	15,369,963
		<u>35,160,624</u>	<u>26,601,531</u>
12.1) <u>In cash</u>			
Others		2,790,694	2,234,624
Hasna welfare		2,280,000	1,980,000
School fees		1,937,140	2,729,380
Miscellaneous parties		1,865,000	4,287,564
Sswab Trust		1,600,000	-
Akhuwat		1,000,000	-
Vehicle running and maintenance		163,309	-
Carriage and freight		34,500	-
		<u>11,670,643</u>	<u>11,231,568</u>
12.2) <u>In kind</u>			
Food for needy persons		22,592,842	14,585,341
Health services		897,139	784,622
		<u>23,489,981</u>	<u>15,369,963</u>
<b>13. <u>Donations</u></b>			
In cash		20,108,175	22,755,301
		<u>20,108,175</u>	<u>22,755,301</u>



**14. Taxation**

The company is incorporated under Section 42 of the Companies Act, 2017 as a non-profit organization and is entitled 100% tax credit against its tax liability under Section 100 (C) of the Income Tax Ordinance, 2001. Therefore, no provision for taxation has been incorporated in these financial statements.

**15. Related party transaction**

There is no related party transaction.

**16. Financial instruments and related disclosures****16.1) Financial assets and liabilities**

	2021			2020		
	Amortized Cost	FVTPL	Total	Amortized Cost	FVTPL	Total
	(Rupees)			(Rupees)		
<b>Financial assets</b>						
<b>Maturity up to one year</b>						
Advances, deposits and other receivables	920,000	-	920,000	2,046,000	-	2,046,000
Cash at bank	-	70,077,204	70,077,204	-	3,805,783	3,805,783
	<u>920,000</u>	<u>70,077,204</u>	<u>70,997,204</u>	<u>2,046,000</u>	<u>3,805,783</u>	<u>5,851,783</u>
<b>Financial liabilities</b>						
<b>Maturity up to one year</b>						
Accrued and other liabilities	94,050	-	94,050	244,600	-	244,600
<b>Maturity after more than one year</b>						
	<u>94,050</u>	<u>-</u>	<u>94,050</u>	<u>244,600</u>	<u>-</u>	<u>244,600</u>

**16.2) Risk management****a) Concentration of credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The company believes that it is not exposed to major concentration of credit risk.

**b) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently, the company has neither any foreign currency account nor carrying any transactions in foreign currencies.

**c) Interest mark-up rate risk**

Interest/mark-up rate risk is the risk that the value of financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest/mark-up rates arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. ↘

d) **Liquidity risk**

Liquidity risk reflects company's inability in raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position and follow an effective cash management and planning policy to ensure availability of funds to take measure for new requirements.

e) **Fair value of the financial instruments**

Fair value is the amount for which an asset can be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair value.

f) **Fund management risk**

The board of directors monitor the fund required for sustainable operations. There were no changes to the approach to fund management during the year. The company is dependent on the donations in order to continue as going concern.

17. **Number of employees**

Total number of employees at the year ended June 30, 2021 are 04 (2020: 03) and average number of employees at the year ended June 30, 2021 are 04 (2020: 03). Company being not engaged on permanent basis therefore all employees are on contract basis.

18. **Impact of COVID-19 on the financial statements**

A novel strain of corona virus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020 impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements etc. These measures have resulted in an overall economic slowdown and disruptions to various business. The management believes that due to the pandemic the Company's operations, financial position and results have been impacted only on a temporary basis, these impacts have started to recede. According to the Company's management assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

19. **Date of authorization for issue**

These financial statements have been authorized for issue on 05.10.2021 by the board of directors of the company. ✓

  
Chief Executive Officer

  
Director