U MER FAROOQ & CO
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To members of **"IDARA TUL MUSTAFA TRUST, GUJRANWALA"**

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

UN-MODIFIED OPINION

We have audited the annexed financial statements of **"IDARA TUL MUSTAFA TRUST, GUJRANWALA"**, which comprises of statement of financial position of as at **June 30, 2023** and related income statement and statement of changes in fund for the year then ended and notes to the financial statements, including 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 our audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income statement and statement of changes in fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and the Companies Act, 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, 2023** and of the profit, its cash flows and changes in equity for the period then ended.

Basis of Un-modified 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 disclosed in Auditor's Responsibilities for the audit of the Financial Statements section of our report. We were independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the relevant institute (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 audit opinion.

Responsibilities of Management and Board of Governors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs)' issued by IASB and the requirements of the Companies Act, 2017, and for such internal control as the management 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, management is responsible for assessing the Company's ability to continue as going concern, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so. Boards of governors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes an opinion. Reasonable level of assurance s a high level of assurance, but is not guaranteed that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatement 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 misstatements of the financial statements, whether due to fraud of 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 our 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 up to the dates of our auditor's report. However, future events or conditions may cause the company to cease to continue as going concern.

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- 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 presentations.

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 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.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

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

a) Proper books of accounts have been kept by the company as required by the companies Act, 2017(XIX of 2017);

b) The statement of financial position, income statement, and statement of changes in fund 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 and are further in accordance with the accounting policies consistently applied;

c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the company business; and

d) No zakat was deductible under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).

Umer Farooq & Co.,
(Chartered Accountants)

Date: September 15, 2023
Place: Gujranwala

7-B, First Floor, Trust Plaza, G.T.RoadGujranwala 055-3252426 Info@ufcpk.com ufcca2@gmail.com

Idara tul Mustafa Trust
Statement of Financial Position
As of June 30, 2023

	Note	2023 Rupees	2022 Rupees
PROPERTIES AND ASSETS			
NON CURRENT ASSETS			
Free Hold Land	5	325,255,135	257,069,335
Fixed Assets (as per schedule)	6	230,510,667	218,247,066
Capital Work in Progress	7	546,471,831	165,931,635
		1,102,237,633	641,248,036
CURRENT ASSETS			
Other Advances and Deposits	8	38,293,096	38,293,096
Cash and cash Equivlents	9	51,194,151	14,616,537
		89,487,247	52,909,633
		1,191,724,880	694,157,669
CAPITAL AND LIABILITIES			
FUND ACCOUNT			
Fund Account		989,225,389	685,579,876
Other Specific Funds	10	191,305,113	
CURRENT LIABILITIES			
Expenses and Other Payables	11	11,194,378	8,577,793
TOTAL EQUITY & LIABILITIES		1,191,724,880	694,157,669

Annexed Notes from 1 to 22 are integeral part of these Financial Statement
Auditor's report is attached

CHAIRMAN

FINANCE SECRETARY

Umer Farooq & Company
Chartered Accountants

Idara tul Mustafa Trust
Income Statement
For the Year Ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME			
Unrestricted Income/Receipts			
Income from Donations-Unrestricted	12	711,820,816	306,458,096
Sale Proceeds of Hides		5,409,520	4,538,635
Gain on sale of fixed assets		-	5,646,514
Admission Fee		3,384,000	3,470,000
Laundary Fee		1,250,000	1,000,000
Sub-Total		721,864,336	321,113,245
Cost / Direct and Allocated Expenses on Welfare Programmes			
Specific Event/Programme Expenses	13	275,320,311	72,322,581
Depreciation -Allocated		11,231,386	7,674,676
		286,551,697	79,997,258
Surplus before Operating Expenses		435,312,639	241,115,987
General, Administrative and Operating Expenses			
Welfare, Admin and Operating Expenses	15	66,070,145	20,422,858
Promotional Expense	15	2,064,872	2,563,008
Financial Expenses	16	20,384	11,825
Depreciation -Allocated		1,982,009	1,354,355
		70,137,410	24,352,045
Surplus before Tax		365,175,229	216,763,942
Taxation	17	-	
Surplus after Tax		365,175,229	216,763,942

Annexed Notes from 1 to 22 are integeral part of these Financial Statement
Auditor's report is attached

CHAIRMAN

FINANCE SECRETARY

Umer Farooq & Company
Chartered Accountants

Idara tul Mustafa Trust
Satement of Changes in Fund
As of June 30, 2023

	Un-Restricted General Fund	Restricted Funds Zakat	Total
	Rupees		
Balance as at June 30, 2021	468,815,934	-	468,815,934
Surplus for the year	216,763,942	-	216,763,942
Balance as at June 30, 2022	685,579,876	-	685,579,876
Surplus for the year	365,175,229	-	365,175,229
Received during the year		213,661,981	213,661,981
Paid during the year		(213,661,981)	(213,661,981)
Transfer to Construction Builing Fund (Prior Year Adjustment)	(61,529,716)		(61,529,716)
Balance as at June 30, 2023	989,225,389	-	989,225,389

Annexed Notes from 1 to 22 are integeral part of these Financial Statement

Auditor's report is attached

محمد رضا ثاقب مصطفائی غفرلہ

CHAIRMAN

ادارۃ المصطفیٰ ٹرسٹ
چیئرمین

Afzal

FINANCE SECRETARY

ادارۃ المصطفیٰ ٹرسٹ
فنانس سیکرٹری

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Chartered Accountants

1 LEGAL STATUS

1.1 The Trust was registeres in Gujranwala (Pakistan) on April 04, 2016 under section 42 of the companies ordinance 1984 with sub-registrar of Joint Stock Companies. The registered office of the entity is situated at Pindi Bypass, opposite to Gujranwala Education Board, Gujranwala, Punjab, Pakistan. The Society is a non-profit civil society organization working on pro poor issues such as providance of basic necessities, providance of scholarships and helping the victims of natural disasters

2 AIMS AND OBJECTIVES

The Society seeks to work for / as:

- To Provide the Education, Health and Basic Human Necessities.
- To establish hospitals and dispensaries for providing medical assistance to the people suffering from diseases, especially for helpless people.
- To provide scholarships among the intelligent students.
- To establish the Technical Education Institutes
- To provide Scholarships to Intelligent Students and to establish Adult Literacy Centers
- To provide Free Ambulance Service and to establish Blood Banks.
- To provide help to victims of natural calamities and to distribute Eid Gifts

3 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Society is situated at Pindi Bypass, opposite to Gujranwala Education Board, Gujranwala, Punjab, Pakistan.

4 BASIS OF PREPARATION

4.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, wherever it is applicable.

4.2 Accounting convention

These financial statements have been prepared under historical cost conventions and cash basis of accounting.

4.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Society's functional and presentation currency.

4.4 SIGNIFICANT ACCOUNTING POLICIES

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

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4.5 Property, plant and equipment

Operating fixed assets are stated at cost less accumulated depreciation or impairment, if any. Depreciation on operating fixed assets is charged to income and expenditure account on reducing balance method so as to write off the historical cost of an asset over its estimated useful life at the annual rates mentioned in **fixed assets schedule** of the financial statements. Full month's depreciation is charged on addition, while no depreciation is charged in the month of disposal or deletion of assets. Major renewals and repairs are capitalized and the assets so replaced are retired. Minor renewals or replacement, maintenance and repairs are charged to expense as and when paid.

Gains or losses on disposal of property, plant and equipment are accounted for as profit or loss for the year. The assets' residual value and useful lives are reviewed, and adjusted if significant, at each balance sheet date. Disposal of assets is recognized when significant risks and reward incidental to the ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in the income and expenditure accounts.

4.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Society is allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final tax payable, under any of the provisions of the Ordinance, subject to conditions as outlined in section 100C. Accordingly, no provision for tax has been recognized in the financial statements of the Society except other income.

Deferred

Deferred tax is computed using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantively enacted at the balance sheet date. The Society has been established as a non-profit organization and is under the process of obtaining the status of Non Profit Organization under the section 2 (36) of the Income Tax Ordinance, 2001. Hence according to section 100C of Income Tax Ordinance 2001, the Society has been allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable under any of the provisions of this Ordinance. Therefore, no deferred tax provision has been made in the financial statements.

محمد رضا ثاقب مصطفائی نوشاہی

CHAIRMAN

Afzal

FINANCE SECRETARY

ادارہ المصطفیٰ ٹرسٹ
چیئرمین

Umer Farooq & Company
Chartered Accountants

ادارہ المصطفیٰ ٹرسٹ
فنانس سیکرٹری

Idara tul Mustafa Trust
Notes to the Financial Statement
For the Year Ended June 30, 2023

			2023 Rupees	2022 Rupees
5	**Freehold Land**			
	At the beginning of year		257,069,335	211,321,125
	Addition during the year		71,177,000	52,079,210
	Disposal During the year		(2,991,200)	(6,331,000)
	At the end of the year		325,255,135	257,069,335
6	**Fixed Assets (Other Than Land)**			
	As per Schedule attached		230,510,667	218,247,066
7	**Capital Work in Progress**			
	At the beginning of year		165,931,635	-
	Addition during the year		380,540,196	165,931,635
	Capitalized During the year		-	-
	At the end of the year		546,471,831	165,931,635
8	**Other Advances and Deposits**			
	Advance Taxed	8.1	793,096	793,096
	Advance against Purchase of Assets		37,500,000	37,500,000
			38,293,096	38,293,096
8.1	**Advance Taxes**			
	Opening Balance		793,096	204,986
	Paid/Deducted During the Year			588,110
	Adjusted During the Year		-	-
			793,096	793,096
9	**Cash and Cash Equivalents**			
	Cash in Hand		37,939,915	3,085,786
	Cash at Banks		13,254,236	11,530,751
			51,194,151	14,616,537
10	**Other Specific Funds**			
	Constructions of Hostel and other Buildings	10.1	124,221,923	-
	Donations for Disaster Rehabilitation	10.2	61,683,510	-
	Donations for Ijtamai Qurbani	10.3	-	-
	Donations for Specfic Programmes and Events	10.4	5,399,679	-
			191,305,112	-

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10.1 Constructions of Hostel and other Buildings

Opening Balance	61,529,716	-
Add: Received during period	62,692,207	-
Less: Adjusted transferred during the year	-	-
	124,221,923	**-**

10.2 Donations for Disaster Rehabilitations

Opening Balance	-	-
Add: Received during period	103,003,876	-
Less: Used during the period (Flood Releif Expenses)	(41,320,366)	-
	61,683,510	**-**

10.3 Donations for Ijtamai Qurbani

Opening Balance	-	
Add: Received during period	12,546,454	1,717,367
Less: Used during the period	(12,546,454)	(1,717,367)
	-	**-**

10.4 Others

Opening Balance	-	-
Add: Received during period	31,449,847	-
Less: Used during the period	(26,050,168)	-
Less: Transfer to General Donations		
	5,399,679	**-**

Represent the amount of donations received for holding periodic Islamic programmes and events including Mehfil-e-Naat, Azkaar mehfil, Darse Quran and Islamic Ralleys in various cities.

11 Expenses and Other Payables

Utilities	5,541,042	3,024,457
Audit Fee Payable	200,000	100,000
Salaries and Benefits	5,453,336	5,453,336
Other Payable	-	
Payable against Construction and Other Material	-	
	11,194,378	**8,577,793**

12 Income from Donations - Unrestricted

Sadqa Khairat	11,424,666	4,522,824
Hadya	51,923,013	3,867,163
Fund Box	6,345,611	4,019,166
Zakat - Heela	213,661,981	-
General Donations	425,584,735	294,048,943
Donations for Educations	2,880,810	-
	711,820,816	**306,458,096**

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13 Specific Event/Programme Expenses			
Student Education Programme	13.1	244,950,605	50,827,994
Tadrees-ul-aam Programme	13.2	28,281,981	6,979,993
Qurbani Programme		2,087,725	90,517
Other Educational and Welfare Programme		-	14,424,078
		275,320,311	72,322,581

13.1 Education Programme		
Salaries and Benefits	123,172,328	31,825,739
Student Mess Expense	53,500,262	2,057,271
Student Extra Curriculam Activities Expense	7,037,533	-
Janitorial Expenses	6,472,304	96,500
Generator Expenses	7,103,686	-
Utility Bills	36,582,067	14,078,625
Printing and Stationery	3,091,552	821,646
Medical Expenses	6,023,423	313,351
Miscallenous Expenses	1,967,452	1,634,862
	244,950,605	50,827,994

13.2 Tadrees-ul-aam Programme		
Jumma Expenses	13,552,356	3,436,750
Generator Expenses	6,324,423	-
Utility Bills	5,955,797	3,016,848
Printing and Stationery	2,216,130	176,067
Miscallenous Expenses	233,275	350,328
	28,281,981	6,979,993

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14 **General, Administrative and Operating Expenses**

Salaries and Benefits	11,201,879	5,616,307
Generator Expenses	674,771	-
Utility Bills	5,955,797	3,016,848
Printing and Stationery	332,912	176,067
Miscallenous Expenses	233,275	350,328
Repairs and Maintenance	7,681,588	1,259,011
Rental Expenses	6,569,500	-
Laundery Expenses	2,588,368	-
Entertainment	4,997,347	879,577
Fuel	1,694,896	596,299
Travelling and Conveyance	2,418,319	849,950
Audit Fee	100,000	100,000
Legal Expenses	476,644	316,900
Postal Expenses	386,219	6,110
Cleaning and Other Services	4,756,562	289,150
Carriage & Transportation Expense	4,229,212	144,310
Charity & Donations	2,311,923	6,193,881
Vehicles Repairs, Running & Maintainance	9,460,933	628,120
	66,070,145	20,422,858

15 **Promotional Expenses**

Advertisement & Publicity	2,064,872	2,563,008
	2,064,872	2,563,008

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16 **Financial Expenses**

Bank Charges	20,384	11,825
	20,384	**11,825**

17 **Taxation**

No Income tax has been charged for the year as Trust has obtained tax exemption under section 2(36) of Income Tax Act, 2017 till Tax Year 2024

18 **Number of Employees**

	NUMBERS 2023	
Number of employees as on 30 June	244	244
Average number of employees during the year	226	226

19 **Corresponding figures**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year.

20 **Date of Authorisation**

These financial statements have been authorized for issue by the Executive Board of Members of the Society on 06-september-2023.

21 **General**

Figures have been rounded off to nearest rupee.

CHAIRMAN

FINANCE SECRETARY

Umer Farooq & Company
Chartered Accountants

Idarat ul Mustafa, Gujranwala

Fixed Assets Schedule

For the Year Ended June 30, 2023

Description	Cost				Depreciation		WDV as of 30-06-2023
	Balance as of 01-07-2022	Addition	Deletion	Balance as of 30-06-2023	Rate	Charge for the year	
	-----------------------Rupees-----------------------------						
Building	188,818,571			188,818,571	2.50%	4,720,464	184,098,107
Furniture and Fixture	3,618,594	4,971,810		8,590,404	15.00%	1,288,561	7,301,843
Electrical Equipment	4,974,039	6,980,100		11,954,139	15.00%	1,793,121	10,161,018
Media Equipment	6,451,797	6,783,464		13,235,261	15.00%	1,985,289	11,249,972
Vehicles	9,471,042			9,471,042	15.00%	1,420,656	8,050,386
Office Equipments	228,407	600,700		829,107	15.00%	124,366	704,741
Maktaba and Books	-	3,720,035		3,720,035	20.00%	744,007	2,976,028
Security Cameras and Equipment	-	1,422,112		1,422,112	20.00%	284,422	1,137,690
Others	4,684,616	998,775		5,683,391	15.00%	852,509	4,830,882
Total 2023	**218,247,066**	**25,476,996**	**-**	**243,724,062**		**13,213,395**	**230,510,667**
Total 2022	**218,932,354**	**11,318,743**	**(2,975,000)**	**227,276,097**	**-**	**9,029,031**	**218,247,066**

CHAIRMAN

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Chartered Accountants

FINANCE SECRETARY