

IDARA TUL MUSTAFA

AUDIT REPORT

FOR THE YEAR 2020-2021

UMER FAROOQ & CO.
10-20-2021



UMER FAROOQ & CO
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of **M/S IDARA TUL MUSTAFA, GUJRANWALA** which comprise the statement of financial position as at June 30, 2021, and statement of financial performance, 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 and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, and give a true and fair view of the statement of financial position of **M/S IDARA TUL MUSTAFA, GUJRANWALA** as at June 30, 2021, and of its financial performance and the statement of financial performance for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis of 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for the Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Board of Governors are 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.

Those charged with governance are responsible for overseeing the Company'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 misstatements, 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 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 risk of material misstatement of the financial statement, 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 date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



UMER FAROOQ & CO
CHARTERED ACCOUNTANTS

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 of 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 regulations 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 communications.

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;
- b) the statement of financial position, the statement of profit or loss and other comprehensive income and the statement of cash flows together with the notes thereon have been drawn up in conformity with the companies act, 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) Zakat deductible at source under the zakat and usher ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.


UMER FAROOQ & CO.
(Chartered Accountant)

Date: 20 October 2021
Place: GUJRANWALA

Idara tul Mustafa, Gujranwala
Statement of Financial Position
As of June 30, 2021

	Note	2021 Rupees	2020 Rupees
NON CURRENT ASSETS			
Operating Fixed Assets			
Land	5	211,321,125	93,353,360
As per Schedule	6	218,932,354	167,573,713
		430,253,479	260,927,073
CURRENT ASSETS			
Advance Taxes	7	204,986	-
Cash and bank balances	8	41,034,755	42,306,883
		41,239,741	42,306,883
		471,493,220	303,233,956
CAPITAL AND LIABILITIES			
Fund Account		468,815,934	303,233,956
CURRENT LIABILITIES			
Expenses and Other Payables	9	2,677,286	-
TOTAL EQUITY & LIABILITIES		471,493,220	303,233,956

*Annexed Notes are integral part of these Financial Statement
Auditor's report is attached*

CHAIRMAN

امام
مصطفیٰ
چیرمین
موصی

FINANCE SECRETARY

امام
مصطفیٰ
فہانس سیکریٹری
کامران

Idara tul Mustafa, Gujranwala
Income Statement
For the Year Ended June 30, 2021

	Note	2021 Rupees
INCOME		
Income from Donations-Unrestricted	10	148,086,127
Sale Proceeds of Hides		1,501,600
Zakat		55,120,161
Donations for Programmes/Events	11	23,748,696
Less: Programme and Events Expenses	12	(23,748,696)
Sub-Total		204,707,888
EXPENDITURE		
Admin and Operating Expenses	13	30,221,140
Depreciation		8,831,340
Financial Expenses	14	73,430
		39,125,910
Surplus before Tax		165,581,978
Tax for the year		-
Surplus after Tax		165,581,978

Annexed Notes are integral part of these Financial Statement
Auditor's report is attached

CHAIRMAN


 امارت
 چيئرمين
 حوض

FINANCE SECRETARY


 امارت
 فنانس سيڪريٽري
 حوض

Idara tul Mustafa, Gujranwala
Statement of Changes in Fund
As of June 30, 2021

	Un-Restricted General Fund	Restricted Funds Zakat	Total
		Rupees-----	
Balance as at June 30, 2020	303,233,956	-	303,233,956
Surplus for the year	-165,581,978	-	165,581,978
Balance as at June 30, 2021	468,815,934	-	468,815,934

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Annexed Notes are integral part of these Financial Statement
Auditor's report is attached

CHAIRMAN

Idara tul Mustafa
Gujranwala

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FINANCE SECRETARY

Idara tul Mustafa
Gujranwala

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Idara tul Mustafa, Gujranwala
Notes To Financial Statements
As of June 30, 2021

1 LEGAL STATUS

- 1.1 The Society was incorporated in Gujranwala (Pakistan) on February 10, 2016 under the Societies Registration Act, 1860. 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
- 1.2 The Entity has applied for the first time for registration, U/S 42 of Securities Act. 1860, as a non-profit civil society organisation

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. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) applicable to non-corporate entities issued by the Institute of Chartered Accountants of Pakistan.

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.

Idara tul Mustafa, Gujranwala
Notes to the Financial Statement
For the Year Ended June 30, 2021

	2021 Rupees
5 <u>Freehold Land</u>	
At the beginning of year	93,341,230
Addition during the year	118,998,320
Disposal During the year	(1,018,425)
At the end of the year	211,321,125
6 <u>Fixed Assets (Other Than Land)</u>	
As per Schedule attached	218,932,354
7 <u>Advance Taxes</u>	
Advance Income Tax	204,986
	204,986
8 <u>Cash and Cash Equivalents</u>	
Cash in Hand	18,679,914
Cash at Banks	22,354,844
	41,034,755
9 <u>Expenses and Other Payables</u>	
Utilities	1,508,136
Audit Fee Payable	50,000
Salaries and Benefits	1,119,150
	2,677,286
10 <u>Income from Donations</u>	
Sadqa Khairat	3,808,923
Hadya	9,285,282
Fund Box	3,499,013
Other Donations from Public	131,492,909
	148,086,127
11 <u>Donation for Different Programmes/Events</u>	
Represent the donations received specifically for the holding of periodic programmes and events including holding of Mehfil-e-Naat, Azkaar mehfil, Darse Quran and Islamic Ralleys etc.	
12 <u>Expenses out of Donations for Different Programmes/Events</u>	
Represent the sum of different expenses on holding of periodic programmes and events including holding of Mehfil-e-Naat, Azkaar mehfil, Darse Quran and Islamic Ralleys etc.	

	2021 Rupees
13 <u>Other Admin and Operating Expenses</u>	
Utility Bills	11,696,642
Repairs and Maintenance	2,144,669
Entertainment	914,398
Fuel	1,037,646
Printing and Stationery	441,420
Travelling and Conveyance	418,157
Audit Fee	50,000
Salaries and Benefits	13,200,185
Miscellaneous Expenses	318,023

30,221,140

14 Financial Expenses

Bank Charges	73,430
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73,430

15 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.

16 Date of Authorisation

These financial statements have been authorized for issue by the Executive Board of Members of the Society on _____

17 General

Figures have been rounded off to nearest rupee.

CHAIRMAN


چینر مین

FINANCE SECRETARY


فنانہ سیکریٹری

Idarat ul Mustafa, Gujranwala

Fixed Assets Schedule

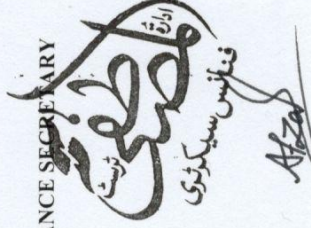
For the Year Ended June 30, 2021

Description	Cost			Depreciation		WDV as of 30-06-2021
	Balance as of 01-01-2020	Addition	Deletion	Rate	Charge for the year	
Building	143,492,885	55,132,831	-	2.50%	4,965,643	193,660,073
Furniture and Fixture	3,578,488	305,710	-	15.00%	582,630	3,301,568
Electrical Equipment	3,461,100	378,000	-	15.00%	575,865	3,263,235
Media Equipment	4,815,030	1,080,380	-	15.00%	884,312	5,011,099
Vehicles	10,100,000	-	-	10.00%	1,010,000	9,090,000
Others	2,126,210	3,293,060	-	15.00%	812,891	4,606,380
Total 2021	167,573,713	60,189,981	-		8,831,340	218,932,354
Total 2020	-	-	-		-	-

CHAIRMAN



FINANCE SECRETARY



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