



INDEPENDENT AUDITOR'S REPORT

To the members of IDARA TUL MUSTAFA, GUJRANWALA

Report on the Audit of Financial Statements

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, 2022, 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, 2022, 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 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: February 15, 2023
Place: GUJRANWALA

UDIN:

Idara tul Mustafa, Gujranwala
Statement of Financial Position
As of June 30, 2022

	Note	2022 Rupees	2021 Rupees
NON CURRENT ASSETS			
Operating Fixed Assets			
Land	5	257,069,335	211,321,125
As per Schedule	6	218,247,066	218,932,354
Capital Work in Progress	7	165,931,635	-
		641,248,036	430,253,479
CURRENT ASSETS			
Other Advances and Deposits	8	38,293,096	204,986
Cash and bank balances	9	14,616,537	41,034,755
		52,909,633	41,239,741
		694,157,669	471,493,220
CAPITAL AND LIABILITIES			
Fund Account		685,579,876	468,815,934
CURRENT LIABILITIES			
Expenses and Other Payables	10	8,577,793	2,677,286
TOTAL EQUITY & LIABILITIES		694,157,669	471,493,220

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

CHAIRMAN


چیرمین

نائب موصوفی غفر


فنانس سیکریٹری
FINANCE SECRETARY

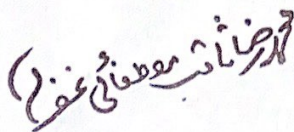
Idara tul Mustafa, Gujranwala
Income Statement
For the Year Ended June 30, 2022

		2022	2021
Note		Rupees	Rupees
INCOME			
<u>Unrestricted Income/Receipts</u>			
	11	296,453,501	148,086,127
Income from Donations-Unrestricted			
Sale Proceeds of Hides		4,538,635	1,501,600
Zakat Income		34,103,031	55,120,161
Donations for Programmes/Events	12	16,191,962	23,748,696
Gain on sale of fixed assets		5,646,514	-
Sub-Total		356,933,643	228,456,584
<u>Utilization of Funds</u>			
Zakat Paid During the Year		(34,103,031)	-
Programme and Events Expenses	13	(16,191,962)	(23,748,696)
Sub-Total		(50,294,993)	(23,748,696)
Net Surplus/Income before Admin and Other Expenses		306,638,650	204,707,888
EXPENDITURE			
Admin and Operating Expenses	14	78,270,844	30,221,140
Promotional Expense	15	2,563,008	-
Depreciation		9,029,031	8,831,340
Financial Expenses	16	11,825	73,430
		89,874,708	39,125,910
Surplus before Tax		216,763,942	165,581,978
Tax for the year			
Surplus after Tax		216,763,942	165,581,978

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

CHAIRMAN


 چیرمین


 آغا رضا نبی مہمانی غفر

FINANCE SECRETARY


 فنانس سیکرٹری


 H. H.

Idara tul Mustafa, Gujranwala
Statement of Changes in Fund
As of June 30, 2022

	Un-Restricted General Fund	Restricted Funds Zakat Rupees	Total
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

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

CHAIRMAN

امام محمد
مصطفیٰ
جینرومین

نائب رئیس هیئت مدیره

FINANCE SECRETARY

امام محمد
مصطفیٰ
فنانس سیکریٹری

Idara tul Mustafa, Gujranwala
Notes To Financial Statements
As of June 30, 2022

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.

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.

Idara tul Mustafa, Gujranwala
Notes to the Financial Statement
For the Year Ended June 30, 2022

	2022 Rupees	2021 Rupees
5 <u>Freehold Land</u>		
At the beginning of year	211,321,125	93,341,230
Addition during the year	52,079,210	118,998,320
Disposal During the year	(6,331,000)	(10,118,425)
At the end of the year	257,069,335	211,321,125
6 <u>Fixed Assets (Other Than Land)</u>		
As per Schedule attached	218,247,066	218,932,354
7 <u>Capital Work in Progress</u>		
At the beginning of year	-	-
Addition during the year	165,931,635	-
Capitalized During the year	-	-
At the end of the year	165,931,635	-
8 <u>Other Advances and Deposits</u>		
Advance Taxed	8.1 793,096	204,986
Advance against Purchase of Assets	37,500,000	-
	38,293,096	204,986
8.1 <u>Advance Taxes</u>		
Opening Balance	204,986	204,986
Paid/Deducted During the Year	588,110	-
Adjusted During the Year	-	-
	793,096	204,986
9 <u>Cash and Cash Equivalents</u>		
Cash in Hand	3,085,786	18,679,911
Cash at Banks	11,530,751	22,354,844
	14,616,537	41,034,755
10 <u>Expenses and Other Payables</u>		
Utilities	3,024,457	1,508,136
Audit Fee Payable	100,000	50,000
Salaries and Benefits	5,453,336	1,119,150
	8,577,793	2,677,286
11 <u>Income from Donations</u>		
Sadqa Khairat	4,522,824	3,808,923
Hadya	8,337,163	9,285,282
Fund Box	4,019,166	3,499,013
General Donations	279,574,348	131,492,909
	296,453,501	148,086,127

Idarat ul Mustafa, Gujranwala
Fixed Assets Schedule
For the Year Ended June 30, 2022

Description	Cost			Depreciation		WDV as of 30-06-2022
	Balance as of 01-07-2021	Addition	Deletion	Balance as of 30-06-2022	Charge for the year	
	Rupees				Rate	
Building	193,660,073	-	-	193,660,073	2.50%	188,818,571
Furniture and Fixture	3,301,568	860,770	-	4,162,338	15.00%	3,618,594
Electrical Equipment	3,263,235	2,262,850	-	5,526,085	15.00%	4,974,039
Media Equipment	5,011,099	2,351,458	-	7,362,556	15.00%	6,451,797
Vehicles	9,090,000	4,758,230	(2,975,000)	10,873,230	15.00%	9,471,042
Office Equipments	-	254,800	-	254,800	15.00%	228,407
Others	4,606,380	830,636	-	5,437,015	15.00%	4,684,616
Total 2022	218,932,354	11,318,743	(2,975,000)	227,276,097		218,247,066
Total 2021	167,573,713	60,189,981	(5,950,000)	227,763,694		218,932,354

CHAIRMAN

محمد شمس الدین عظیمی

محمد شمس الدین عظیمی

FINANCE SECRETARY

محمد شمس الدین عظیمی

محمد شمس الدین عظیمی

16 Financial Expenses

Bank Charges

11,825

73,430

11,825

73,430

17 Number of Employees

Number of employees as on 30 June

244

172

Average number of employees during the year

226

168

18 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.

19 Date of Authorisation

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

20 General

Figures have been rounded off to nearest rupee.

CHAIRMAN

محمد شاکر مہدی (معاون)

محمد شاکر مہدی
چیئرمین

FINANCE SECRETARY

محمد شاکر مہدی

محمد شاکر مہدی
فنانس سیکرٹری