

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, 2024** 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, 2024** 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 is 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 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 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.



UMER FAROOQ & CO

CHARTERED ACCOUNTANTS

- 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).

Date: January 15, 2024
Place: Gujranwala


Umer Farooq & Co.,
(Chartered Accountants)

Idara tul Mustafa Trust
Statement of Financial Position
As of June 30, 2024

	Note	2024 Rupees	2023 Rupees
PROPERTIES AND ASSETS			
NON CURRENT ASSETS			
Free Hold Land	5	430,742,565	325,255,135
Fixed Assets (as per schedule)	6	285,423,028	230,510,667
Capital Work in Progress	7	739,734,555	546,471,831
		1,455,900,148	1,102,237,633
CURRENT ASSETS			
Stock in hand (Maktaba)		4,300,050	-
Other Advances and Deposits	8	2,596,922	38,465,616
Cash and cash Equivalents	9	28,862,520	50,910,631
		35,759,493	89,376,247
		1,491,659,641	1,191,613,880
CAPITAL AND LIABILITIES			
FUND ACCOUNT			
Fund Account	1	1,257,637,672	989,114,389
Other Specific Funds	10	214,097,511	191,305,113
CURRENT LIABILITIES			
Expenses and Other Payables	11	19,924,457	11,194,378
TOTAL EQUITY & LIABILITIES		1,491,659,641	1,191,613,880

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

محمد نافع مصطفى خاں

CHAIRMAN

محمد نافع مصطفى خاں
 چیئرمین

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FINANCE SECRETARY

محمد نافع مصطفى خاں
 فنانس سیکرٹری



Idara tul Mustafa Trust
Income Statement
For the Year Ended June 30, 2024

		2024	2023
	Note	Rupees	Rupees
INCOME			
<u>Unrestricted Income/Receipts</u>			
Income from Donations-Unrestricted	12	497,393,374	711,820,816
Sale Proceeds of Hides		6,054,280	5,409,520
Net Income from Maktaba	13	2,751,599	-
Gain on sale of fixed assets		1,822,816	-
Admission Fee		3,672,000	3,384,000
Laundry Fee		1,500,000	1,250,000
Sub-Total		513,194,069	721,864,336
Cost / Direct and Allocated Expenses on Welfare Programmes			
Specific Event/Programme Expenses	14	267,703,214	275,320,311
Depreciation -Allocated		15,147,773	11,231,386
		282,850,987	286,551,697
Surplus before Operating Expenses		230,343,083	435,312,639
General, Administrative and Operating Expenses			
Welfare, Admin and Operating Expenses	15	60,948,729	66,181,145
Promotional Expense	16	-	2,064,872
Financial Expenses	17	17,101	20,384
Depreciation -Allocated		2,673,136	1,982,009
		63,638,967	70,248,410
Surplus before Tax		166,704,116	365,064,229
Taxation	18	-	-
Surplus after Tax		166,704,116	365,064,229

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

CHAIRMAN

مصطفیٰ
چیرمین

FINANCE SECRETARY

مصطفیٰ
فنانس سیکریٹری

Idara tul Mustafa Trust
Cash Flow Statement
For the Year Ended June 30, 2024

Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus before tax	166,674,116	365,175,229
Adjustments for non-cash items:		
Depreciation	17,820,909	13,213,395
Other Non-Cash Adjustments	101,708,167	
Inter Fund Transfers	(5,399,679)	
Surplus before working capital changes	280,803,513	378,388,624
Specific funds/donation received		
For disaster rehabilitation	14,198,714	103,003,876
For Ijtamai Qurbani	7,886,186	12,546,454
For other specified activities	-	31,449,847
	22,084,900	147,000,177
Specific funds/donation spendings		
For disaster rehabilitation	(15,085,000)	(41,320,366)
For Ijtamai Qurbani	(7,886,186)	(12,546,454)
For other specified activities	-	(26,050,168)
	(22,971,186)	(79,916,988)
Working Capital Changes		
Stock in hand	(4,300,050)	
Other Advances and Deposits	35,868,694	-
Expenses and Other Payables	687,220,242	2,616,585
Net Working Capital Changes	718,788,886	2,616,585
Net cash generated from operating activities	998,706,112	448,088,399
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of Land	-	2,991,200
Proceeds from disposal of Other Operating Assets	6,953,212	-
Paid against purchase of Land	(105,487,430)	(71,177,000)
Paid against purchase of Other Fixed Assets	(79,686,482)	(25,476,996)
Increase in WIP	(871,722,887)	(380,540,196)
Net cash (used in) / generated from investing activities	(1,049,943,587)	(474,202,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Specific funds/donation received		
For construction of buildings	29,078,364	62,692,207
Net cash generated from financing activities	29,078,364	62,692,207
Net increase in cash and cash equivalents	(22,159,111)	36,577,614
Cash and cash equivalents at the beginning of the year	51,194,151	14,616,537
Cash and cash equivalents at the end of the year	29,035,040	51,194,151

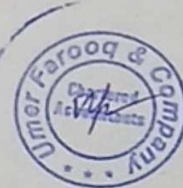
*Annexed Notes are integral part of these Financial Statement
Auditor's report is attached*

محمد ضیاء الحق
CHAIRMAN

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FINANCE SECRETARY

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فنانس سیکرٹری



Idara tul Mustafa Trust
Statement of Changes in Fund
As of June 30, 2024

	Un-Restricted General Fund	Restricted Funds Zakat -----Rupees-----	Total
Balance as at June 30, 2022	685,579,876	-	685,579,876
Surplus for the year	365,064,229	-	365,064,229
Received during the year		213,661,981	213,661,981
Paid during the year		(213,661,981)	(213,661,981)
Transfer to Construction Building Fund (Prior Year Adjustment)	(61,529,716)		(61,529,716)
Balance as at June 30, 2023	989,114,389	-	989,114,389
Prior Year Adjustment	101,819,167	-	101,819,167
Surplus for the year	166,704,116	-	166,704,116
Received during the year		121,521,936	121,521,936
Paid during the year		(121,521,936)	(121,521,936)
Transfer to Construction Building Fund (Prior Year Adjustment)			-
Balance as at June 30, 2024	1,257,637,672	-	1,257,637,672

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

CHAIRMAN

امارۃ
مصطفیٰ
چینومین



FINANCE SECRETARY

امارۃ
مصطفیٰ
فنانس سیکریٹری

Idara tul Mustafa Trust
Notes To Financial Statements
As of June 30, 2024

1 LEGAL STATUS

- 1.1 The Trust was registered 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 providence of basic necessities, providence 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.



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.

CHAIRMAN

محمد عظیمی
چیرمین

FINANCE SECRETARY

محمد عظیمی
فنانس سیکرٹری



Idara tul Mustafa Trust
Notes to the Financial Statement
For the Year Ended June 30, 2024

		2024 Rupees	2023 Rupees
5	<u>Freehold Land</u>		
	At the beginning of year	325,255,135	257,069,335
	Addition during the year	105,487,430	71,177,000
	Disposal During the year	-	(2,991,200)
	At the end of the year	430,742,565	325,255,135
6	<u>Fixed Assets (Other Than Land)</u>		
	As per Schedule attached	285,423,028	230,510,667
7	<u>Capital Work in Progress</u>		
	At the beginning of year	546,471,831	165,931,635
	Addition during the year	193,262,724	380,540,196
	Capitalized During the year	-	-
	At the end of the year	739,734,555	546,471,831
8	<u>Other Advances and Deposits</u>		
	Advance Taxed	1,746,922	965,616
	Advance against Purchase of Assets	850,000	37,500,000
		2,596,922	38,465,616
8.1	<u>Advance Taxes</u>		
	Opening Balance	965,616	793,096
	Paid/Deducted During the Year	781,306	172,520
	Adjusted During the Year	-	-
		1,746,922	965,616
9	<u>Cash and Cash Equivalents</u>		
	Cash in Hand	1,447,600	37,767,395
	Cash at Banks	27,414,920	13,143,236
		28,862,520	50,910,631
10	<u>Other Specific Funds</u>		
	Constructions of Hostel and other Buildings	153,300,287	124,221,923
	Donations for Disaster Rehabilitation	60,797,224	61,683,510
	Donations for Ijtamai Qurbani	-	-
	Donations for Specific Programmes and Events	-	5,399,679
		214,097,511	191,305,112

10.1 Constructions of Hostel and other Buildings

Opening Balance	124,221,923	61,529,716
Add: Received during period	29,078,364	62,692,207
Less: Adjusted transferred during the year	-	-
	153,300,287	124,221,923

10.2 Donations for Disaster Rehabiliations

Opening Balance	61,683,510	-
Add: Received during period	14,198,714	103,003,876
Less: Used during the period	(15,085,000)	(41,320,366)
	60,797,224	61,683,510

10.3 Donations for Ijtamai Qurbani

Opening Balance	-	-
Add: Received during period	7,886,186	12,546,454
Less: Used during the period	(7,886,186)	(12,546,454)
	-	-

10.4 Others

Opening Balance	5,399,679	-
Add: Received during period	-	31,449,847
Less: Used during the period	-	(26,050,168)
Less: Transfer to General Donations	(5,399,679)	
	-	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	5,263,261	5,541,042
Audit Fee Payable	120,000	200,000
Salaries and Benefits	14,012,744	5,453,336
Other Payable	528,452	-
Payable against Construction and Other Material	-	-
	19,924,457	11,194,378

12 Income from Donations

Sadqa Khairat	9,831,588	11,424,666
Hadya	29,701,667	51,923,013
Fund Box	8,481,288	6,345,611
Zakat	121,521,936	213,661,981
General Donations	312,718,353	425,584,735
Donations for Educations	15,138,542	2,880,810
	497,393,374	711,820,816

Represent the donations received specifically for the holding of periodic programmes and events

13 Net Income from Maktaba

Income from sales
 Less: Cost of Sales
 Opening Stock
 Purchases
 Direct Expenses

 Closing Stock

	9,409,183	-
	1,550,248	-
	9,407,386	-
	-	-
	10,957,634	-
	(4,300,050)	-
	6,657,584	-
	2,751,599	-

14 Specific Event/Programme Expenses

Sehr Iftar Programme
 Shab e Qadar
 Youm e Ashora
 Jashnay Azadi
 Eid Milad un Nabi
 Mustafai Ijtama
 Shab e Qadar
 Flood Releif Expenses
 Student Education Programme
 Tadrees-ul-aam Programme
 Qurbani Programme
 Other Misc. Welfare Programme

	9,486,565	-
	93,500	-
	519,140	-
	249,205	-
	3,580,557	-
	16,977,625	-
	408,080	-
	1,169,222	-
14.1	213,329,203	244,950,605
14.2	17,210,730	28,281,981
	1,487,224	2,087,725
	3,192,163	-

267,703,214	275,320,311
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14.1 Education Programme

Salaries and Benefits
 Student Mess Expense
 Student Extra Curriculam Activities Expense
 Janitorial Expenses
 Generator Expenses
 Utility Bills
 Printing and Stationery
 Medical Expenses
 Miscallenous Expenses

107,163,473	123,172,328
41,935,163	53,500,262
6,565,604	7,037,533
7,579,669	6,472,304
4,361,878	7,103,686
35,055,392	36,582,067
3,230,138	3,091,552
4,606,017	6,023,423
2,831,869	1,967,452

213,329,203	244,950,605
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14.2 Tadrees-ul-aam Programme

Jumma Expenses
 Generator Expenses
 Utility Bills
 Printing and Stationery
 Miscallenous Expenses

6,011,364	13,552,356
2,564,229	6,324,423
6,872,834	5,955,797
1,219,377	2,216,130
542,926	233,275

17,210,730	28,281,981
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15 General, Administrative and Operating Expenses

Salaries and Benefits	11,791,452	11,201,879
Generator Expenses	647,122	674,771
Utility Bills	6,872,834	5,955,797
Printing and Stationery	580,341	332,912
Miscellaneous Expenses	542,926	233,275
Repairs and Maintenance	8,191,989	7,681,588
Rental Expenses	8,232,350	6,569,500
Laundry Expenses	255,614	2,588,368
Entertainment	7,806,686	5,108,347
Fuel	7,256,701	1,694,896
Travelling and Conveyance	1,275,730	2,418,319
Audit Fee	120,000	100,000
Legal Expenses	141,909	476,644
Postal Expenses	135,057	386,219
Cleaning and Other Services	2,526,125	4,756,562
Carriage & Transportation Expense	2,538,449	4,229,212
Charity & Donations	-	2,311,923
Vehicles Repairs, Running & Maintenance	2,033,443	9,460,933

60,948,729**66,181,145****16 Promotional Expenses**

Advertisement & Publicity	-	2,064,872
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-**2,064,872****17 Financial Expenses**

Bank Charges	17,101	20,384
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17,101**20,384****18 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

19 Number of Employees

N U M B E R S	
2024	2023

Number of employees as on 30 June

244

244

Average number of employees during the year

226

226

20 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.

21 Date of Authorisation

These financial statements have been authorized for issue by the Executive Board of Members of the Society on 05 September, 2024 .

22 General

Figures have been rounded off to nearest rupee.



حضرت امام محمد باقرؑ

CHAIRMAN

امام محمد باقرؑ
چیرمین

FINANCE SECRETARY

امام محمد باقرؑ
فنانس سیکرٹری

Idara tul Mustafa Trust
Fixed Assets Schedule
For the Year Ended June 30, 2024

Description	WDV			Depreciation		WDV as of 30-06-2024
	Balance as of 01-07-2023	Addition	Deletion	Balance as of 30-06-2024	Rate	Charge for the year
	-----Rupees-----					
Building	184,098,107	-		184,098,107	2.50%	4,602,453
Furniture and Fixture	7,301,843	14,299,670		21,601,513	15.00%	2,707,628
Electrical Equipment	10,161,018	30,489,172		40,650,190	15.00%	4,005,790
Media Equipment	11,249,972	22,803,150		34,053,122	15.00%	3,384,338
Vehicles	8,050,386	7,795,840	3,977,184	11,869,042	15.00%	1,848,535
Office Equipments	704,741	336,600		1,041,341	15.00%	146,761
Maktaba and Books	2,976,028	-	2,976,028	-	20.00%	-
Security Cameras and Equipments	1,137,690	1,170,430		2,308,120	20.00%	231,774
Others	4,830,882	2,449,720		7,280,602	15.00%	825,250
Solar System	-	341,900		341,900	20.00%	68,380
Total 2024	230,510,667	79,686,482	6,953,212	303,243,937	-	17,820,909
Total 2023	218,247,066	25,476,996	-	243,724,062	-	13,213,395

CHAIRMAN

محمد طاہر
 چیئرمین



FINANCE SECRETARY

ایمان سید
 فنانس سیکریٹری