

**AUDITED FINANCIAL STATEMENTS OF
PAK AID WELFARE TRUST
FOR THE YEAR ENDED
JUNE 30, 2023**



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PAK AID WELFARE TRUST

REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Pak Aid Welfare Trust**, which comprises the statement of financial position as at June 30, 2023, and the statement of income and expenditure, statement of changes in funds, 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 purpose of audit.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the Statement of financial position as at June 30, 2023, and the statement of Income and Expenditure, statement of changes in funds and statements of cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

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 Trust 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.

Responsibilities of Trustees for the Financial Statements

Trustee 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 for such internal controls as Trustees 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, Trustees are responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Board of Trustees are responsible for overseeing the Trust's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

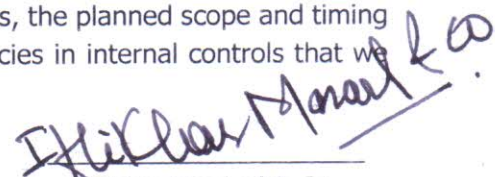
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that 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 controls.
- 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of Trustee'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 Trust'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 Trust 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 Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Place: Islamabad
Date: 10-October-2023
UDIN: AR202310504bxPJtpqwO


Iftikhar Masood & Co.
Chartered Accountants



PAK AID WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Assets			
Non current assets			
Property, plant and equipment	4	10,418,595	388,827
Intangible assets	5	36,700	45,875
		<u>10,455,295</u>	<u>434,702</u>
Current assets			
Advances deposits & other receivables	6	9,156,805	1,328,640
Cash and bank balances	7	18,948,939	10,591,770
		<u>28,105,744</u>	<u>11,920,410</u>
Total Assets		<u>38,561,039</u>	<u>12,355,112</u>
Funds & Liabilities			
General Funds			
General funds		31,565,798	9,377,728
Current liabilities			
Accrued and other payables	8	6,995,241	2,977,384
Total Funds & Liabilities		<u>38,561,039</u>	<u>12,355,112</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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CHAIRMAN



FINANCE SECRETARY

PAK AID WELFARE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Income	9	180,406,010	38,001,881
Expenditure			
Direct welfare expense	10	(150,471,800)	(31,274,333)
General & administration expense	11	(7,746,140)	(3,303,659)
Gross surplus for the year		<u>22,188,070</u>	<u>3,423,889</u>
Taxation		-	-
Net surplus for the year		<u>22,188,070</u>	<u>3,423,889</u>
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		<u><u>22,188,070</u></u>	<u><u>3,423,889</u></u>

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The annexed notes from 1 to 15 form an integral part of these financial statements.


CHAIRMAN




FINANCE SECRETARY

PAK AID WELFARE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Cash Flows from Operating Activities			
Surplus for the year		22,188,070	3,423,889
Adjustments			
Depreciation		1,359,651	62,914
Amortization		9,175	11,469
		23,556,896	3,498,272
Working capital changes:			
Increase in advances, deposits and other receivables		(7,828,166)	(676,674)
(Decrease) / Increase in accrued liabilities		4,017,857	2,023,863
		(3,810,309)	1,347,189
Taxes paid		-	-
Net cash (used in) / generated from operating activities		19,746,587	4,845,461
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(11,389,419)	(34,500)
Intangible Assets		-	-
Net cash used in investing activities		(11,389,419)	(34,500)
Cash Flows from Financing Activities			
		-	-
(Decrease) / Increase in cash and cash equivalents		8,357,168	4,810,961
Cash and cash equivalents at the beginning of the year		10,591,771	5,780,809
Cash and cash equivalents at the end of the year		18,948,939	10,591,771

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CHAIRMAN



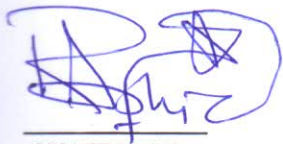

FINANCE SECRETARY

**PAK AID WELFARE TRUST
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	General Funds	Total
	(Rupees)	(Rupees)
Balance as at July 01, 2018	5,125,982	5,125,982
Deficit for the year ended June 30, 2019	(3,599,531)	(3,599,531)
Balance as at June 30, 2019	1,526,451	1,526,451
Surplus for the year ended June 30, 2020	3,090,587	3,090,587
Balance as at June 30, 2020	4,617,038	4,617,038
Surplus for the year ended June 30, 2021	1,336,801	1,336,801
Balance as at June 30, 2021	5,953,839	5,953,839
Surplus for the year ended June 30, 2022	3,423,889	3,423,889
Balance as at June 30, 2022	9,377,728	9,377,728
Surplus for the year ended June 30, 2023	22,188,070	22,188,070
Balance as at June 30, 2023	31,565,798	31,565,798

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The annexed notes from 1 to 15 form an integral part of these financial statements.



CHAIRMAN




FINANCE SECRETARY

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 THE TRUST AND ITS OPERATIONS

- 1.1** Pak Aid Welfare Trust (the "Trust") was registered on 3rd May 2017 under the Registration of Trust Act, 1882 and started its operation from May 10, 2017. The registered office of the Trust is situated at Office 4, 2nd Floor, MB City Mall Plaza, I - 8 Markaz, Islamabad, Pakistan.
- 1.2** The aim and objective of the Trust is to run, support and grant aid or other financial assistance to educational institutions, hospitals, dispensaries, vocational centers, madrasah and such other similar charitable organizations, Trust also establish water projects and distribute Roshan packages in remote areas of all over the country for the benefit and use of general public without any distinction as to caste, colour, race or creed.

To secure, receive, accept and manage funds, donations and any other assets to utilize them for the aim of Trust.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These accounts have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting Standards for Non Profitable Organizations (NPOs), issued by the Institute of Chartered Accountants of Pakistan (ICAP).

2.2 Basis of measurement and accounting convention

These financial statements have been prepared under the historical cost convention except otherwise stated in these financial statements. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is also the functional currency of the Trust.

2.4 Use of estimates and judgment

Estimates and judgments are continually evaluated and are based on historical 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, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Property, plant and equipment

These are initially recognized at cost except assets received as donation in kind recognized at fair market value. Subsequently the cost of operating assets are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note 4 of the accounts. Full month's depreciation is charged from the month in which asset is purchased while no depreciation is charged from the month in which the asset is disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewal and improvements are capitalized and assets so replaced, if any, are retired. Gains and losses on disposal of fixed assets are recognized in income currently.

3.2 Intangible assets

Costs that are directly associated with identifiable software products purchased and have probable economic benefits beyond one year are recognized as intangible assets. Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged at reducing balance method at rate of 20% per annum.

3.3 Impairment

The Trust assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists the Trust makes an estimate of the assets' recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

3.4 Advances, deposit and prepayments

These are recognized and stated at cost less provision for doubtful balances, if any.

3.5 Cash and bank balances

Cash in hand and at banks are carried at cost. For the purposes of cash flow statement, cash and cash equivalent consists of cash in hand and balances with bank net of borrowing not considered to be in nature of financing activities.

1/1/2024

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.6 Revenue recognition

Income is recognized to the extent it is probable that the economic benefits will flow to the Trust and the income can be measured reliably. Income is measured at fair value of the consideration received and is recognized on the following basis:

- Donations in cash are recognized as and when received.
- Donation in kind are recognized when the title, possession and control is transferred to the Trust.

These are recorded at estimated value on the basis of prevailing market prices.

- Other income are recognized on receipts basis.

3.7 Provisions

A provision is recognized when the Trust has a legal or constructive obligation as a result of past event, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.8 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Trust becomes party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Trust loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on recognition/de-recognition of the financial liabilities is taken to income and expenditure account currently.

3.9 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Trust has legally enforceable right to set off the recognized amount and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.10 Related party transactions

Transactions with related parties is based at arm's length using normal commercial rates on the same terms and conditions as third party transactions.

3.11 Taxation

The Trust is an approved non-profit organization under section 2(36) of Income Tax ordinance, 2001. The Trust has complied with all the applicable conditions and is eligible for 100% tax credit under section 100c (Tax credit for certain persons) of the Income Tax Ordinance, 2001.

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PAK AID WELFARE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

4 PROPERTY, PLANT AND EQUIPMENT

Amount in Rupees

For Financial Year 2023

PARTICULARS	COST		RATE	ACCUMULATED DEPRECIATION			Net Book Value as at June 30, 2023
	Balance as at July 01, 2022	Additions / (Deletions)		Balance as at June 30, 2023	Balance as at July 01, 2022	Depreciation charge for the year	
Vehicle	-	4,040,000	20%	-	521,333	521,333	3,518,667
Electrical equipment	85,315	1,508,203	20%	46,368	209,989	256,357	1,337,161
Computers and accessories	160,290	1,078,466	30%	107,462	252,278	359,740	879,016
Furniture and fixtures	397,451	4,762,750	10%	100,399	376,051	476,450	4,683,751
Total	643,056	11,389,419		254,229	1,359,651	1,613,880	10,418,595

For Financial Year 2022

PARTICULARS	COST		RATE	ACCUMULATED DEPRECIATION			Net Book Value as at June 30, 2022
	Balance as at July 01, 2021	Additions / (Deletions)		Balance as at June 30, 2022	Balance as at July 01, 2021	Depreciation charge for the year	
Vehicle	-	-	20%	-	-	-	-
Electrical equipment	85,315	-	20%	36,631	9,737	46,368	38,947
Computers and accessories	125,790	34,500	30%	87,287	20,175	107,462	52,828
Furniture and fixtures	397,451	-	10%	67,397	33,002	100,399	297,052
Total	608,556	34,500		191,315	62,914	254,229	388,827

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PAK AID WELFARE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

5 INTANGIBLE ASSETS

For Financial Year 2023

PARTICULARS	COST		RATE	ACCUMULATED AMORTIZATION			Net Book Value as at June 30, 2023
	Balance as at July 01, 2022	Additions / (Deletions)		Balance as at July 01, 2022	Amortization charge for the year	Balance as at June 30, 2023	
Accounting software	125,000	-	20%	84,040	8,192	92,232	32,768
Website	15,000	-	20%	10,085	983	11,068	3,932
Total	140,000	-		94,125	9,175	103,300	36,700

For Financial Year 2022

PARTICULARS	COST		RATE	ACCUMULATED AMORTIZATION			Net Book Value as at June 30, 2022
	Balance as at July 01, 2021	Additions / (Deletions)		Balance as at July 01, 2021	Amortization charge for the year	Balance as at June 30, 2022	
Accounting software	125,000	-	20%	73,800	10,240	84,040	40,960
Website	15,000	-	20%	8,856	1,229	10,085	4,915
Total	140,000	-		82,656	11,469	94,125	45,875

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PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

6 ADVANCE DEPOSITS & OTHER RECEIVABLES	Note	2023	2022
		(Rupees)	(Rupees)
Advance to staff for projects	6.1	341,787	471,140
Security deposits	6.2	1,553,600	775,000
Donation Receivable		43,550	82,500
Pre-paid Expenses	6.3	6,717,868	-
WIP-Pak Aid web site	6.4	500,000	-
		<u>9,156,805</u>	<u>1,328,640</u>

- 6.1 This represents advances given to staff for procurements and projects implementation.
6.2 This represents security deposit for rental office premises.
6.3 This represents the amount prepaid to various parties for rental offices premises.
6.4 This represents the amount prepaid to Saddat Hayder for taking services in respect of website development.

7 CASH & BANK BALANCES		2023	2022
		(Rupees)	(Rupees)
Cash in hand		80,116	37,132
Cash at bank	7.1	18,868,823	10,554,638
		<u>18,948,939</u>	<u>10,591,770</u>

- 7.1 This represents deposits kept in current accounts and carries no markup.

8 ACCRUED AND OTHER PAYABLES		2023	2022
		(Rupees)	(Rupees)
Audit fee		95,000	60,000
Accrued expense		5,304,269	2,224,303
Accrued Salaries		1,480,160	450,240
WH Tax payables		73,847	139,031
Payable to staff		41,965	103,810
		<u>6,995,241</u>	<u>2,977,384</u>

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PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

9 INCOME	Note	2023	2022
		(Rupees)	(Rupees)
Donations		125,652,302	32,525,007
Zakat		45,449,310	5,476,874
Donations for Masjid		3,244,582	-
Donations for Water Supply Attiya (WSP)		6,047,318	-
Miscellaneous income		12,498	-
		180,406,010	38,001,881

10 DIRECT WELFARE EXPENSE		2023	2022
		(Rupees)	(Rupees)
Rehabilitation and ad-hoc relief project		119,952,656	25,912,400
Salaries wages and benefits		14,117,787	3,238,938
Office rent		9,557,376	1,294,484
Vehicle running & maintenance expenses		2,565,331	453,191
Project promotional cost		4,278,650	375,320
		150,471,800	31,274,333

11 GENERAL & ADMINISTRATIVE EXPENSES		2023	2022
		(Rupees)	(Rupees)
Salaries and benefits		2,722,751	1,246,245
Legal and professional charges		724,728	137,000
Audit fee		85,000	60,000
Rent expense		598,950	707,850
Repairs and maintenance		309,477	96,975
Printing, stationary and advertisement		266,132	9,384
Travelling and conveyance		61,093	96,483
Postage and cargo		89,158	59,440
Utilities expenses		862,998	460,921
Communication expenses		401,056	153,283
Food and entertainment expenses		168,914	168,458
Miscellaneous expense		29,773	13,815
Bank charges		14,037	15,173
Rate and taxes		43,247	4,249
Amortization expenses		9,175	11,469
Depreciation		1,359,651	62,914
		7,746,140	3,303,659

**PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

12 NUMBER OF EMPLOYEES	Note	2023	2022
Number of employees at balance sheet date		32	19

13 NUMBER OF OFFICES	2023	2022
At start of the Year	3	3
New Opened during the year	3	1
Closed during the year	-1	-1
At June 30, 2023	5	3

14 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There are no material contingencies as at reporting date (2023: Nil).

COMMITMENTS

There are no material commitments as at reporting date (2023: Nil).

15 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Trustee of the Trust on 06-Oct-2023.

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CHAIRMAN




FINANCE SECRETARY