



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

Opinion

We have audited the financial statements of the Trust (the Trust) which comprises the Statement of Financial Position as at June 30, 2022, the Statement of Income and Expenditure, Statement of Changes in Funds and Statement of Cash Flows for the year then ended in accordance with approved accounting and reporting standards including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Financial Position as at June 30, 2022, and the Statement of Income and Expenditure, Statement of Changes in Funds and Statement of Cash Flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basic 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 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

Trustees are 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 control 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 Trustees either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

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

Opinion

We have audited the annexed financial statements of **Pak Aid Welfare Trust**, (the Trust) which comprises the Statement of Financial Position as at June 30, 2022, and the Statement of Income and Expenditure, Statement of Changes in Funds, Statement of Cash Flows and Notes to the Financial Statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Financial Position as at June 30, 2022, and the Statement of Income and Expenditure, Statement of Changes in Funds and Statement 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 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

Trustees are 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 control 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 Trustees 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 Trustees' 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 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 controls that we identify during our audit.

Place: Islamabad.

Date: November 10, 2022

UDIN: AR202210504P3rDnCFRJ



Iftikhar Masood & Co
Iftikhar Masood & Co.
Chartered Accountants

PAK AID WELFARE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Assets			
Non current assets			
Property, plant and equipment	4	388,827	417,241
Intangible assets	5	45,875	57,344
		434,702	474,585
Current assets			
Advances deposits & other receivables	6	1,328,640	651,966
Cash and bank balances	7	10,591,770	5,780,809
		11,920,410	6,432,775
Total Assets		12,355,112	6,907,360
Funds & Liabilities			
General Funds			
General funds		9,377,728	5,953,839
Current liabilities			
Accrued and other payables	8	2,977,384	953,521
Total Funds & Liabilities		12,355,112	6,907,360

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

CHAIRMAN



FINANCE SECRETARY

PAK AID WELFARE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Income	9	38,001,881	33,380,592
Expenditure			
Direct welfare expense	10	(31,274,333)	(28,329,365)
General & administration expense	11	(3,303,659)	(3,714,426)
Gross surplus/(deficit) for the year		<u>3,423,889</u>	<u>1,336,801</u>
Taxation	3.11	-	-
Net surplus/(deficit) for the year		<u>3,423,889</u>	<u>1,336,801</u>
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		<u><u>3,423,889</u></u>	<u><u>1,336,801</u></u>

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, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Cash Flows from Operating Activities			
Surplus for the year		3,423,889	1,336,801
Adjustments			
Depreciation		62,914	59,647
Amortization		11,469	14,336
		3,498,272	1,410,784
Working capital changes:			
Increase in advances, deposits and other receivables		(676,674)	786,093
(Decrease) / Increase in accrued liabilities		2,023,863	417,286
		1,347,189	1,203,379
Taxes paid		-	-
Net cash (used in) / generated from operating activities		4,845,461	2,614,163
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(34,500)	(225,550)
Intangible Assets		-	-
Net cash used in investing activities		(34,500)	(225,550)
Cash Flows from Financing Activities			
(Decrease) / Increase in cash and cash equivalents		4,810,961	2,388,613
Cash and cash equivalents at the beginning of the year		5,780,809	3,392,195
Cash and cash equivalents at the end of the year		10,591,770	5,780,809

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


CHAIRMAN




FINANCE SECRETARY

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

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, 2022

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 Rashan packages in remote areas of all over the country for the benefit and use of general public without any distinction as to caste, color, 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.

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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.

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.

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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.

**PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4 PROPERTY, PLANT AND EQUIPMENT

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	
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

For Financial Year 2021

PARTICULARS	COST		RATE	ACCUMULATED DEPRECIATION			Net Book Value as at June 30, 2021
	Balance as at July 01, 2020	Additions / (Deletions)		Balance as at June 30, 2021	Balance as at July 01, 2020	Depreciation charge for the year	
Electrical equipment	66,315	19,000	20%	24,461	12,170	36,631	48,684
Computers and accessories	125,790	-	30%	70,785	16,502	87,287	38,503
Furniture and fixtures	190,901	206,550	10%	36,422	30,975	67,397	330,054
Total	383,006	225,550		131,668	59,647	191,315	417,241

**PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

5 INTANGIBLE ASSETS

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 June 30, 2022	Balance as at July 01, 2021	Amortization charge for the year	
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

For Financial Year 2021

PARTICULARS	COST		RATE	ACCUMULATED AMORTIZATION			Net Book Value as at June 30, 2021
	Balance as at July 01, 2020	Additions / (Deletions)		Balance as at June 30, 2021	Balance as at July 01, 2020	Amortization charge for the year	
Accounting software	125,000	-	20%	61,000	12,800	73,800	51,200
Website	15,000	-	20%	7,320	1,536	8,856	6,144
Total	140,000	-		68,320	14,336	82,656	57,344

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

6 ADVANCE DEPOSITS & OTHER RECEIVABLES		2022	2021
		(Rupees)	(Rupees)
Advance to staff for projects	6.1	471,140	110,966
Security deposits	6.2	775,000	541,000
Donation receivable		82,500	
		1,328,640	651,966

6.1 This represents advances given to staff for procurements and projects implementation.

6.2 This represents security deposit for rental office premises.

7 CASH & BANK BALANCES		2022	2021
		(Rupees)	(Rupees)
Cash in hand		37,132	45,276
Cash at bank	7.1	10,554,638	5,735,533
		10,591,770	5,780,809

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

8 ACCRUED AND OTHER PAYABLES		2022	2021
		(Rupees)	(Rupees)
Audit fee		60,000	50,000
Payable to qurbani animal vendors		2,224,303	259,495
Accrued salaries		450,240	301,660
WH tax payables		139,031	77,766
Payable to staff		103,810	264,600
		2,977,384	953,521

9 INCOME		2022	2021
		(Rupees)	(Rupees)
Donations		32,525,007	28,529,532
Zakat		5,476,874	4,851,060
Miscellaneous income		-	-
		38,001,881	33,380,592

PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

10 DIRECT WELFARE EXPENSE	2022	2021
	(Rupees)	(Rupees)
Rehabilitation and ad-hoc relief project	25,912,400	23,885,409
Salaries wages and benefits	3,238,938	2,657,673
Office rent	1,294,484	814,452
Vehicle running & maintenance expenses	453,191	743,196
Project promotional cost	375,320	228,635
	31,274,333	28,329,365

11 GENERAL & ADMINISTRATIVE EXPENSES	2022	2021
	(Rupees)	(Rupees)
Salaries and benefits	1,246,245	1,086,006
Legal and professional charges	137,000	478,000
Audit fee	60,000	50,000
Rent expense	707,850	594,000
Repairs and maintenance	96,975	94,508
Printing, stationary and advertisement	9,384	16,484
Travelling and conveyance	96,483	66,060
Postage and cargo	59,440	275,559
Utilities expenses	460,921	280,344
Communication expenses	153,283	137,668
Food and entertainment expenses	168,458	90,442
Miscellaneous expense	13,815	18,328
Bank charges	15,173	10,749
Rate and taxes	4,249	442,295
Amortization expenses	11,469	14,336
Depreciation	62,914	59,647
Loss on disposal	-	-
	3,303,659	3,714,426

12 NUMBER OF EMPLOYEES	2022	2021
Number of employees at balance sheet date	19	15

13 NUMBER OF OFFICES	2022	2021
At start of the Year	3	3
New Opened during the year	1	0
Closed during the year	1	0
At June 30, 2022	3	3

**PAK AID WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

14 CONTINGENCIES & COMMITMENTS

There are no material contingencies and capital commitments at the reporting date.

15 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Trustee of the Trust

on _____.



CHAIRMAN



FINANCE SECRETARY