

**GHULAM FARUQUE
WELFARE TRUST**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2023**

Independent Auditor's Report to the Trustees of Ghulam Faruque Welfare Trust

Opinion

We have audited the annexed financial statements of Ghulam Faruque Welfare Trust (the Trust) which comprise the balance sheet as at June 30, 2023, and the income and expenditure account, the cash flow statement (here-in-after referred to as the 'financial statements') for the year then ended, 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, in accordance with cash receipt and expenditure incurred basis of accounting as described in Note 2.1 to the financial statements.

Basis for 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 Audit of 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 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

The Trustees are responsible for the preparation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the 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, the 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.

Those charged with governance are responsible for overseeing the Trust'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 misstatement, 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. Misstatement 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 the users taken on the basis of these financial statements.

Page 1 of 2

RIAZ AHMAD, SAQIB, GOHAR & CO.

Chartered Accountants

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Regional Offices at Lahore & Islamabad

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, misrepresentation, or the override of the 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustee's use of 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 Society 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 control that we identify during our audit.

Karachi:

19 OCT 2023

UDIN: AR202310253dmvXNj8x2


Chartered Accountants

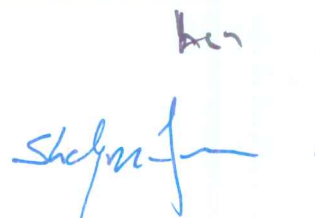
Engagement Partner: Muhammad Kamal Gohar

GHULAM FARUQUE WELFARE TRUST
BALANCE SHEET
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Long-term investment	3	1,983,949	2,821,648
		<u>1,983,949</u>	<u>2,821,648</u>
CURRENT ASSETS			
Cash at bank	4	10,512,007	6,457,785
TOTAL ASSETS		<u><u>12,495,956</u></u>	<u><u>9,279,433</u></u>
FUND AND LIABILITIES			
FUNDS			
Accumulated surplus	5	12,306,875	9,170,353
CURRENT LIABILITIES			
Accrued expenses	6	189,081	109,080
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL FUNDS AND LIABILITIES		<u><u>12,495,956</u></u>	<u><u>9,279,433</u></u>

The annexed notes from 1 to 10 form an integral part of these financial statements.


TRUSTEE



TRUSTEE

**GHULAM FARUQUE WELFARE TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
Income		
Donation income	3,360,751	4,070,000
Zakat received	3,108,750	2,307,000
Profit on PLS savings accounts	686,498	151,160
Dividend Income	53,333	-
Gain on redemption of SSC Investment	268,297	-
	<u>7,477,629</u>	<u>6,528,160</u>
Expenditure		
Donation paid	2,678,875	885,500
Zakat paid	847,750	1,812,465
Tax expense	221,949	34,443
Legal and professional charges	162,000	-
Audit fee	40,000	33,480
Consultation fee	40,000	37,800
Unrealized loss	125,032	708,509
Miscellaneous expense	225,501	-
	<u>(4,341,107)</u>	<u>(3,512,197)</u>
Surplus	<u><u>3,136,522</u></u>	<u><u>3,015,963</u></u>

The annexed notes from 1 to 10 form an integral part of these financial statements.


TRUSTEE

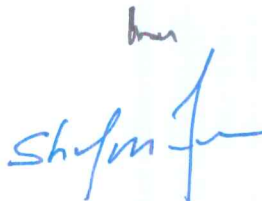

TRUSTEE

GHULAM FARUQUE WELFARE TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus	3,136,522	3,015,963
<u>Adjustment for non-cash charges and other items:</u>		
Loss on long term investments - net	125,032	708,509
Re-investment of dividend - net	(37,333)	-
Gain on redemption of SSC Investment	(268,297)	-
Increase in current liabilities		
Accrued expenses	80,001	-
Net cash generated from operating activities	<u>3,035,925</u>	<u>3,724,472</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of Special Saving Certificates	1,018,297	-
Net cash generated from investing activities	<u>1,018,297</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in cash and cash equivalents for the year	<u>4,054,222</u>	<u>3,724,472</u>
Cash and cash equivalents at the beginning of the year	6,457,785	2,733,313
Cash and cash equivalents at the end of the year	<u><u>10,512,007</u></u>	<u><u>6,457,785</u></u>

The annexed notes from 1 to 10 form an integral part of these financial statements.


TRUSTEE


TRUSTEE

**GHULAM FARUQUE WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS & NATURE OF TRUST

- 1.1** Ghulam Faruque Welfare Trust is a charitable trust formed under Trust Act 1882 through a trust deed on January 1, 2012. The registered office of the Trust is situated at 2nd Floor , Modern Motors House, Karachi-75530. The objectives of the trust are to provide funds for welfare and charitable causes to alleviate illiteracy and poverty within or outside Pakistan by providing, arranging or procuring aid, assistance, help to the needy belonging to any province , religion, caste or creed for their education, educational needs, vocational training and other welfare activities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the cash receipt and expenditure incurred basis of accounting.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.3 Revenue recognition

Profit on bank accounts and donation income including zakat is recognized on receipt basis.

2.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consists of cash in hand, bank balances and short term investment, if any.

2.5 Taxation


The status of the Trust as a non-profit organization has been approved by the commissioner of Income Tax, under the terms of sub-clause (c) of clause 36 of section 2, dated 18-08-2023.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trustees operates. The financial statements are presented in Pakistani Rupees, which is the Trust functional and presentation currency.

2.7 Investments

The Trust determines appropriate classification of its investments in accordance with the requirements of International Financial Reporting Standards 9 'Financial Instruments' at the time of the purchase and re-evaluates this classification on a regular basis. Accordingly, investments can be classified into three categories namely, at fair value through profit or loss, held-to-maturity and available for sale.



	Note	2023 Rupees	2022 Rupees
3 LONG-TERM INVESTMENT			
Investment made in purchase of Special Saving Certificate	3.1	-	750,000
Investment in mutual fund	3.2		
Faysal Asset Allocation Fund		1,116,589	1,077,719
Faysal stock fund		867,360	993,929
		1,983,949	2,071,648
		<u>1,983,949</u>	<u>2,821,648</u>
3.1	Certificates issued by National Savings Bank carry a mark-up of 11% which is paid semi-annually. These certificates have been matured during the year.		
3.2	Investment made in mutual funds at faysal funds in faysal stock fund and faysal asset allocation funds.		
	Note	2023 Rupees	2022 Rupees
4 CASH AT BANK			
PLS savings accounts	4.1	<u>10,512,007</u>	<u>6,457,785</u>
4.1	Deposit accounts carry profit ranging from 6.5% to 10% per annum (2022 : 4.5% to 6.0%).		
		2023 Rupees	2022 Rupees
5 ACCUMULATED SURPLUS			
Balance brought forward		9,170,353	6,154,390
Surplus for the year transferred from income & expenditure account		3,136,522	3,015,963
Accumulated surplus as at year end		<u>12,306,875</u>	<u>9,170,353</u>
6 ACCRUED EXPENSES			
Professional fee payable		41,580	41,580
Audit fee		69,700	29,700
Consultation fee		77,800	37,800
		<u>189,081</u>	<u>109,080</u>

7 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2023 (2022 : Nil).

8 TAXATION

- 8.1 The Trust is a 'Not for Profit' organization, and has held the status of NPO from commissioner of Income tax under sub-clause (c) of clause 36 of section 2 till December 31, 2023; hence no provision for taxation is required to be made in these financial statements. However, income generated from any business activity is taxable.


9 DATE OF AUTHORIZATION

06 OCT 2023

These financial statements were authorized for issue on _____ by the Board of Trustees of the Trust.

10 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee.


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