

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF ALMARAH FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

OPINION

We have audited the annexed financial statements of **ALMARAH FOUNDATION (FOUNDATION)**, which comprise the statement of financial position as at June 30, 2023, income & expenditure account, the statement of cash flows and notes to the accounts (hereinafter referred to as financial statements), including a summary of significant accounting policies.

In our opinion, accompanying financial statements of the Foundation for the year ended June 30, 2023, are prepared in all material respects, in accordance with the financial reporting provisions as prescribed in Note 2 of the financial statements.

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 Foundation 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.

EMPHASIS OF MATTER – BASIS OF ACCOUNTING

We draw attention to Note 2.2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the management in submission to tax and regulatory authorities in complying with the reporting requirements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions mentioned in note 2.2 of the financial statements, and for such internal control as the management determines 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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. 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 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 Foundation'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 Foundation'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 Foundation 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Taiyab (FCA).


TAIYAB SHAHID & CO.,
Chartered Accountants




Lahore
Dated: January 05, 2024

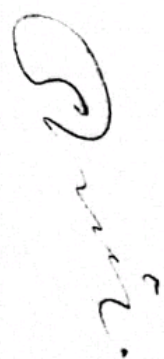
ALMARAH FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Notes	2023	2022		Notes	2023	2022
		Rupees	Rupees			Rupees	Rupees
<u>CAPITAL & LIABILITIES</u>							
<u>ACCUMULATED FUND</u>							
Building Reserve Funds	5	75,000,000	-	Operating Fixed Assets	3	34,819,813	4,000,535
Surplus/(Deficit)	6	23,980,659	10,657,398	Qarz-E-Hasna - Loan		800,000	1,000,000
		98,980,659	10,657,398	Security Deposits		1,830,000	600,000
				Long Term Investments (TDR)		40,000,000	-
						77,449,813	5,600,535
<u>CURRENT LIABILITIES</u>							
Creditors, Accrued & Other Liabilities		68,000	-	Prepaid Rent	4	150,000	-
Provision for Income Tax		-	-	Cash And Bank Balances		21,448,846	5,056,863
		68,000	-			21,598,846	5,056,863
CONTINGENCIES & COMMITMENTS	7	99,048,659	10,657,398			99,048,659	10,657,398

The annexed notes from 1 to 11 form an integral part of these financial statements.

PRESIDENT


Almarah Foundation
 3 Canal Park, Gulberg-II, Lahore
 042-1-5714329



SECRETARY

**ALMARAH FOUNDATION
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023**

<u>EXPENDITURE</u>	Notes	2023 Rupees	2022 Rupees	<u>INCOME</u>	Notes	2023 Rupees	2022 Rupees
Food Charity		4,106,035	1,189,524	Donations	8	62,577,658	17,935,193
Kitchen Grocery Charity		2,781,505	268,159	School Fee		589,380	-
Gift for Donors		-	50,149	Profit on Saving Account & TDRs		583,591	-
Bank Charges		1,975	435				
Donations		2,183,132	653,300				
Events & Seminars		2,835,451	1,638,742				
Kids Charity Project		4,542,452	-				
Flood Relief Campaign		4,577,660	-				
SNGPL Bill		80,420	1,760				
LESCO Bill		1,126,877	136,611				
Legal and Professional Charges		350,791	-				
Office Expenses		1,346,741	-				
Salaries		6,332,216	900,000				
House Rent		5,060,000	1,500,000				
Almarah School Expenses		2,092,328	-				
Communication		523,295	18,650				
Advertisement		4,159,845	-				
Commision		310,000	125,000				
Zakat Deducted		2,760	-				
Fuel Charges		1,689,045	51,900				
Depreciation		6,324,840	743,565				
		50,427,368	7,277,795			63,750,629	17,935,193
<u>Excess of Income over Expenditure</u>		13,323,261	10,657,398	<u>Excess of Expenditure over Income</u>		-	-

63,750,629 17,935,193

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The annexed notes from 1 to 11 form an integral part of these financial statements.

PRESIDENT


Almarah Foundation
3 Canal Park, Gulberg-II, Lahore
042-35714329



SECRETARY

**ALMARAH FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>RECEIPTS</u>	2023 Rupees	2022 Rupees	<u>PAYMENTS</u>	2023 Rupees	2022 Rupees
<u>OPENING BALANCE</u>					
Cash at bank	5,010,377	-	Food Charity	4,106,035	1,189,524
Cash in Hand	46,486	-	Kitchen Grocery Charity	2,781,505	268,159
	5,056,863	-	Gift for Donors	-	50,149
			Events & Seminars	2,835,451	-
			Kids Charity Project	4,542,452	-
			Flood Relief Campaign	4,577,660	-
			Legal and Professional Charges	282,791	-
			Almarah School Expenses	2,092,328	-
			Bank Charges	1,975	435
			TDR	40,000,000	-
			Fixed Assets	20,146,001	4,744,100
			Security Deposit	1,230,000	600,000
			Qarz-E-Hasna - Loan	-	1,000,000
			Donation	2,183,132	653,300
			Office Expenses	1,346,741	1,638,742
			SNGPL Bill	80,420	1,760
			LESCO Bill	1,126,877	136,611
			Salaries	6,332,216	900,000
			House Rent	5,210,000	1,500,000
Donations	120,579,541	17,935,193	Communication	523,295	18,650
School Fee	589,380	-	Advertisement	4,159,845	-
Profit on Saving Account & TDRs	583,591	-	Zakat	2,760	-
Qarz-E-Hasna - Loan Refund	200,000	-	Fuel Charges	1,689,045	51,900
				105,560,529	12,878,330
			<u>CLOSING BALANCE</u>		
			Cash at Bank	20,813,893	5,010,377
			Cash in Hand	634,953	46,486
	121,952,512	17,935,193		21,448,846	5,056,863
				<u>127,009,375</u>	<u>17,935,193</u>
	<u>127,009,375</u>	<u>17,935,193</u>			

The annexed notes from 1 to 11 form an integral part of these financial statements.

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Almarah Foundation
3 Canal Park, Gulberg-II, Lahore
042-35714329

PRESIDENT

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SECRETARY

**ALMARAH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 NATURE AND STATUS OF ASSOCIATION

M/s AlMarah Foundation "Foundation" is a not for profit organization registered under the Societies Registration Act, XXI of 1860. The main objective of the foundation is to establish charitable institution for the benefits and uplift of humanity and work for the elimination of poverty, disease, misery and distress of orphans. The registered office of the Foundation is situated at 3-Canal Park, Gulberg-2, Lahore .

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan in 2006 voluntarily adopted by the management.

These financial statements are prepared to assist the management in submission to tax and regulatory authorities.

2.2 Accounting Convention

These accounts have been prepared in accordance with the historical cost convention without any adjustment for the effects of inflation or the prevailing values.

2.3 Operating fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to income on reducing balance method to write off the cost of operating fixed assets over their expected useful life.

Depreciation on additions is charged from the year in which the asset is put to use, while no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss, if any, on disposal of operating fixed assets is included in current year's income.

2.4 Taxation

The tax liability and taxable income of the Association is determined under the provisions of Income Tax Ordinance, 2001.

2.5 Income

Donations and Profit on bank deposits are recorded on receipt basis.

2.6 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made.

ALMARAH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3 OPERATING FIXED ASSETS

Reconciliation of carrying values at the end of the year:

PARTICULARS	C O S T			D E P R E C I A T I O N			WDV as on 30 June 2023		
	As At 01-Jul-22	Addition/ (Deletion)	As At 30-Jun-23	RATE (%)	As At 01-Jul-22	Adj. (Deletion)		For The Year	As At 30-Jun-23
Owned Assets:									
Buildings	-	22,291,244	22,291,244	15%	-	-	3,343,687	3,343,687	18,947,557
Electrical Items	55,500	3,765,293	3,820,793	15%	8,325	-	571,870	580,195	3,240,598
Computers	213,000	871,850	1,084,850	30%	63,900	-	306,285	370,185	714,665
Furniture & Fixtures	3,120,600	4,624,731	7,745,331	15%	468,090	-	1,091,586	1,559,676	6,185,655
Vehicles	1,355,000	5,591,000	6,946,000	15%	203,250	-	1,011,413	1,214,663	5,731,338
Total Rupees 2023	4,744,100	37,144,118	41,888,218		743,565	-	6,324,840	7,068,405	34,819,813

3.1 Buildings include Rs. 13,498,117/- donation in kind. Vehicles include donation in kind of Rs. 3,500,000/-

Reconciliation of carrying values at the beginning of the year:

PARTICULARS	C O S T			D E P R E C I A T I O N			WDV as on 30 June 2022		
	As At 01-Jul-21	Addition/ (Deletion)	As At 30-Jun-22	RATE (%)	As At 01-Jul-21	Adj. (Deletion)		For The Year	As At 30-Jun-22
Owned Assets:									
Electrical Items	-	55,500	55,500	15%	-	-	8,325	8,325	47,175
Computers	-	213,000	213,000	30%	-	-	63,900	63,900	149,100
Furniture & Fixtures	-	3,120,600	3,120,600	15%	-	-	468,090	468,090	2,652,510
Vehicles	-	1,355,000	1,355,000	15%	-	-	203,250	203,250	1,151,750
Total Rupees 2022	-	4,744,100	4,744,100		-	-	743,565	743,565	4,000,535

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**ALMARAH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
4 <u>CASH AND BANK BALANCES</u>		
Cash in Hand	634,953	46,486
Cash at Bank	20,813,893	5,010,377
	<u>21,448,846</u>	<u>5,056,863</u>
5 <u>BUILDING RESERVE FUNDS</u>		
Opening Balance	-	-
Additions during the year	75,000,000	-
Closing Balance	<u>75,000,000</u>	<u>-</u>
6 <u>SURPLUS/(DEFICIT)</u>		
Opening Balance	10,657,398	-
Surplus during the year	13,323,261	10,657,398
Closing Balance	<u>23,980,659</u>	<u>10,657,398</u>
7 <u>CONTINGENCIES & COMMITMENTS</u>		
There are no contingent liabilities and contingencies as on statement of financial position date (2022: NIL).		
8 <u>DONATIONS</u>		
Donations	120,579,541	17,935,193
Donations in Kind	16,998,117	-
	<u>137,577,658</u>	<u>17,935,193</u>
Transfer to building reserve fund	75,000,000	-
	<u>62,577,658</u>	<u>17,935,193</u>
9 <u>CORRESPONDING FIGURES</u>		
Corresponding figures have been rearranged and reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, there is no material rearrangement.		
10 <u>GENERAL</u>		
Figures have been rounded off to the nearest rupee. Previous year's figures have been re-arranged wherever necessary for the purpose of comparison.		
11 <u>DATE OF AUTHORIZATION AND ISSUE</u>		
These financial statements were authorized for issue on January 05, 2024 by governing body.		

PRESIDENT


Almarah Foundation
3 Canal Park, Gulberg-II, Lahore
942-35714329



SECRETARY