

# **HELP THE NEEDY CHARITABLE TRUST**

Financial Statements  
For the year ended June 30, 2022

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

### Opinion

We have audited the financial statements of **Help The Needy Charitable Trust** (the Trust) which comprise the statement of financial position as at June 30, 2022 and statement of income and expenditure, statement of changes in funds and statement of cash flows 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, the financial position of Vision Trust as at June 30, 2022 and its financial performance and its 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 the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in 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 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 Management and Those Charged with Governance for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these 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 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.

Those charged with governance are responsible for overseeing the Trust 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 Trust's internal controls.
- 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 exist 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's 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.

Date: 26/11/2022  
Karachi

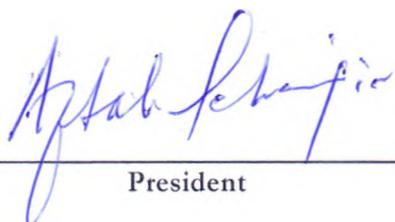


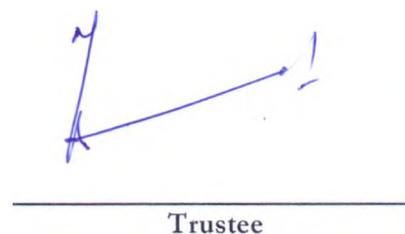
**Abdul Hafeez & Co.**  
Chartered Accountants  
**Abdul Hafeez**  
Engagement Partner

HELP THE NEEDY CHARITABLE TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022

	Notes	2022	2021
		-----Rupees-----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	5	3,454,020	3,048,030
<b>CURRENT ASSETS</b>			
Cash and bank balances	6	3,240,171	349,831
<b>TOTAL ASSETS</b>		<u><u>6,694,191</u></u>	<u><u>3,397,861</u></u>
<b>FUND BALANCE AND LIABILITIES</b>			
<b>FUND BALANCE</b>			
General fund		5,369,513	2,953,075
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	1,324,678	444,786
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<u><u>6,694,191</u></u>	<u><u>3,397,861</u></u>

The annexed notes 1 to 13 form an integral part of these financial statements.

  
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President

  
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Trustee

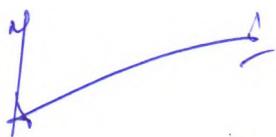
HELP THE NEEDY CHARITABLE TRUST  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022	2021
		-----Rupees-----	
<b>INCOME</b>			
Management Fee	8	15,489,414	13,258,817
<b>EXPENDITURE</b>			
Administrative expenses	9	(13,072,976)	(11,836,188)
<b>SURPLUS /(DEFICIT) FOR THE YEAR</b>		<u>2,416,438</u>	<u>1,422,629</u>

The annexed notes 1 to 13 form an integral part of these financial statements.

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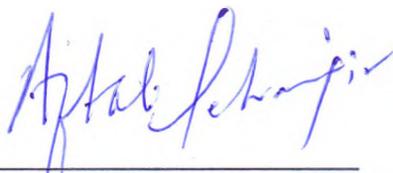
  
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President

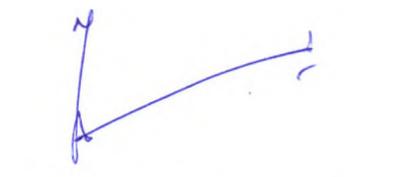
  
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Trustee

HELP THE NEEDY CHARITABLE TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022	2021
-----Rupees-----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) for the year		2,416,438	1,422,629
<b>Adjustments for:</b>			
Depreciation		1,274,010	938,010
Cash Utilized for Cost of project and supply		87,773,345	76,612,210
		<u>(84,082,897)</u>	<u>(74,251,571)</u>
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		879,892	(924,996)
<b>Cash used in operating activities</b>		<u>(83,203,005)</u>	<u>(75,176,567)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase/ (Sale) of plant and equipment		(1,680,000)	(2,420,000)
<i>Cash inflow from investing activities</i>		<u>(1,680,000)</u>	<u>(2,420,000)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Fund received during the year		87,773,345	75,133,310
<i>Cash generated from financing activities</i>		<u>87,773,345</u>	<u>75,133,310</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,890,340	(2,463,257)
Cash and cash equivalents at beginning of the year		349,831	2,813,088
<b>Cash and cash equivalents at the end of the year</b>	6	<u><u>3,240,171</u></u>	<u><u>349,831</u></u>

The annexed notes 1 to 13 form an integral part of these financial statements.

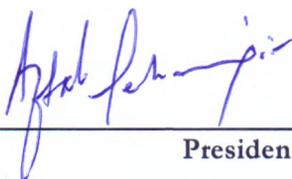
  
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President

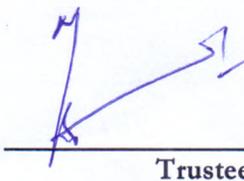
  
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Trustee

**HELP THE NEEDY CHARITABLE TRUST  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	Restricted fund	Total Fund
	-----Rupees-----	
Balance as at June 30, 2020	3,009,346	3,009,346
Funds received during the year	75,133,310	88,392,127
Funds released to statement of income and expenditure	76,612,210	88,448,398
<b>Balance as at June 30, 2021</b>	<b>1,530,446</b>	<b>2,953,075</b>
Funds received during the year	87,773,345	103,262,759
Funds released to statement of income and expenditure	87,773,345	100,846,321
<b>Balance as at June 30, 2022</b>	<b>1,530,446</b>	<b>5,369,513</b>

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

  
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President

  
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Trustee

**HELP THE NEEDY CHARITABLE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**1 STATUS AND NATURE OF OPERATIONS**

Help the Needy Charitable Trust (The Trust) was registered with the Sub registrat Clifton Town Karachi, under the Trust Act, 1882, and established through a Trust Deed executed on 08 December 2010.

The objects of the Trust include:

- (i) Advancement of Social real being by establishment, maintenance aiding of educational, institutions such as schools, colleges, universities, libraries, reading rooms, laboratories, madrassahs, orphanages, widow homes, industrial homes and to make it accessible to all sections of the Society.
- (ii) Provision of free books and food facility to poor students.

The registered office of the Trust is located at office No. 120 located on 1st floor, project Known as "Clifton Broadway" Fererre town Quarters, Clifton, Karachi, Pakistan.

**2 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 Accountant of Pakistan (ICAP).

**3 BASIS OF PREPARATION**

These financial statements are prepared under the historical cost convention.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Plant and equipment**

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged on reducing balance basis using 20% depreciation rate. Full year's depreciation is charged in the year of addition, however, no depreciation is charged on assets in the year of disposal. Normal repairs and maintenance are charged to expenses as and when incurred.

**4.2 Trade and other receivables**

These are stated at amortized cost less allowance for any doubtful receivables if any. Provision is made against doubtful receivables on the basis of estimates. Amounts are directly written off where there is no chances for recovery.

**4.3 Income 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.
  - Management fee is cheared at the rate of 15% of funds received for projects.
  - Other income are recognized on receipts basis.
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**HELP THE NEEDY CHARITABLE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**4.4 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.

**4.5 Restricted fund**

Funds received ongoing operations, projects restrictions on utilisation, are classified as Restricted funds. These funds are recognised as income when received. The expenses incurred against such funds are recognised in statement of income and expenditure as and when incurred.

**4.6 Taxation**

The Trust qualifies for tax credit under section 100C of the Income Tax Ordinance 2001 (the Ordinance), as the management believes that the Trust complies with the requirement of Section 100C of the Ordinance as follows:

- a) Trust deducts tax from payments made in accordance with the Ordinance;
- b) Tax deducted is duly reported to the Federal Board of Revenue; and
- c) The return of total income is regularly filed.

HELP THE NEEDY CHARITABLE TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2022

5 PROPERTY AND EQUIPMENT	Furniture and Fixture	Office Equipment	Total
<b>Cost</b>			
Opening balance	1,395,050	3,295,000	4,690,050
Addition	-	1,680,000	1,680,000
<b>Total Cost</b>	<b>1,395,050</b>	<b>4,975,000</b>	<b>6,370,050</b>
<b>Accumulated Depreciation</b>			
Opening balance	670,020	972,000	1,642,020
for the year	279,010	995,000	1,274,010
<b>Total Accumulated Depreciation</b>	<b>949,030</b>	<b>1,967,000</b>	<b>2,916,030</b>
<b>Net Book value as at June 30, 2022</b>	<b>446,020</b>	<b>3,008,000</b>	<b>3,454,020</b>
<b>Net Book value as at June 30, 2021</b>	<b>725,030</b>	<b>2,323,000</b>	<b>3,048,030</b>

6 CASH AND BANK BALANCE	Notes	2022 -----Rupees-----	2021
Cash in hand		-	-
Cash at bank - current account	6.1	3,240,171	349,831
		<b>3,240,171</b>	<b>349,831</b>

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

**7 TRADE AND OTHER PAYABLES**

Accounts Payable	1,324,678	444,786
	<b>1,324,678</b>	<b>444,786</b>

**11 RESTRICTED DONATION / INCOME**

Ramzan & Food Pack Project	21,035,218	18,780,045
Qurbani Project	9,330,981	13,394,831
Health & Medical Project	2,861,206	3,439,546
Economic Empowerment Project	9,978,108	3,419,423
Water Project	24,539,670	25,708,718
Masjid Project	13,311,000	4,917,675
Sadqah & Welfare	2,097,758	1,955,274
Educational Project	394,310	1,558,678
Emergency Relief Project	398,650	
Cooked Meal Project	3,826,445	1,959,120
	<b>87,773,345</b>	<b>75,133,310</b>

**HELP THE NEEDY CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Notes	2022 -----Rupees-----	2021
<b>10 CHARITABLE FUND EXPENSES / RESTRICTED</b>			
Ramzan & Food Pack Project		21,035,218	20,258,945
Qurbani Project		9,330,981	13,394,831
Health & Medical Project		2,861,206	3,439,546
Economic Empowerment Project		9,978,108	3,419,423
Water Project		24,539,670	25,708,718
Masjid Project		13,311,000	4,917,675
Sadqah & Welfare		2,097,758	1,955,274
Educational Project		394,310	1,558,678
Emergency Relief Project		398,650	
Cooked Meal Project		3,826,445	1,959,120
		<u>87,773,345</u>	<u>76,612,210</u>
<b>8 UNRESTRICTED / MANAGEMENT FEE</b>			
Ramzan & Food Pack Project		3,712,097	3,314,125
Qurbani Project		1,646,644	2,363,793
Health & Medical Project		504,919	952,705
Economic Empowerment Project		1,760,842	603,427
Water Project		4,330,530	4,536,833
Masjid Project		2,349,000	867,825
Sadqah & Welfare		370,193	345,048
Educational Project		69,584	275,061
Emergency Relief Project		70,350	
Cooked Meal Project		675,255	
		<u>15,489,414</u>	<u>13,258,817</u>
<b>9 ADMINISTRATIVE EXPENSES</b>			
Depreciation expense		1,274,010	938,010
Utility Bills		709,182	589,014
Market Expenses		375,000	385,000
Meal & Entertainment		598,140	1,026,788
Salary & wages		6,748,500	6,296,250
Miscellaneous expenses		654,480	646,212
Repair & Maintenance		404,890	489,000
Vehicle Maintenance		517,000	381,000
Transportation Expenses		963,424	687,364
Stationery Expenses		209,100	180,850
Professional Charges		619,250	216,700
		<u>13,072,976</u>	<u>11,836,188</u>

**HELP THE NEEDY CHARITABLE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**12 TAXATION**

The Trust being a welfare organization, contends that it is exempt from income tax on sources of income specified under the Income Tax Ordinance, 2001 (refer note 4.6).

**13 TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of members, associated companies with or without common directors, other companies with common directors, directors, key management personnel, their close family members and major donors of the Company. Transactions with related parties are entered into at arm's length.

**14 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue by the Board of Trustees on

28 November 2022

**15 GENERAL**

15.1 Figures are rounded off to the nearest Rupees.

15.2 Certain prior year figures have been reclassified for better presentation. However, there are no

  
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President

  
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Trustee