

HELP THE NEEDY CHARITABLE TRUST

Financial Statements
For the year ended June 30, 2023

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, 2023 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, 2023 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: 29 January 2024
Karachi

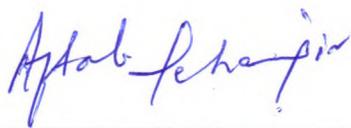


Abdul Hafeez & Co.
Chartered Accountants
Abdul Hafeez
Engagement Partner

HELP THE NEEDY CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Notes	2023	2022
-----Rupees-----			
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	5	2,180,010	3,454,020
CURRENT ASSETS			
Cash and bank balances	6	5,614,143	3,240,171
TOTAL ASSETS		<u><u>7,794,153</u></u>	<u><u>6,694,191</u></u>
FUND BALANCE AND LIABILITIES			
FUND BALANCE			
General fund		7,794,153	5,369,513
CURRENT LIABILITIES			
Trade and other payables	7	-	1,324,678
TOTAL FUND BALANCE AND LIABILITIES		<u><u>7,794,153</u></u>	<u><u>6,694,191</u></u>

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



President

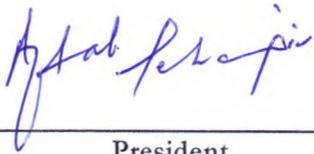


Trustee

HELP THE NEEDY CHARITABLE TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023	2022
		-----Rupees-----	
INCOME			
Management Fee	8	17,505,540	15,489,414
EXPENDITURE			
Administrative expenses	9	(14,734,000)	(13,072,976)
SURPLUS / (DEFICIT) FOR THE YEAR		<u>2,771,540</u>	<u>2,416,438</u>

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



President

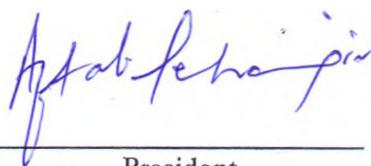


Trustee

HELP THE NEEDY CHARITABLE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023	2022
		-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the year		2,771,540	2,416,438
Adjustments for:			
Depreciation		1,274,010	1,274,010
Cash Utilized for Cost of project and supply		99,544,955	87,773,345
		<u>(95,499,405)</u>	<u>(84,082,897)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(1,324,678)	879,892
Cash used in operating activities		<u>(96,824,083)</u>	<u>(83,203,005)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase/ (Sale) of plant and equipment		-	(1,680,000)
<i>Cash inflow from investing activities</i>		-	(1,680,000)
CASH FLOW FROM FINANCING ACTIVITIES			
Fund received during the year		99,198,055	87,773,345
<i>Cash generated from financing activities</i>		<u>99,198,055</u>	<u>87,773,345</u>
Net increase/(decrease) in cash and cash equivalents		2,373,972	2,890,340
Cash and cash equivalents at beginning of the year		<u>3,240,171</u>	<u>349,831</u>
Cash and cash equivalents at the end of the year	6	<u><u>5,614,143</u></u>	<u><u>3,240,171</u></u>

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



President

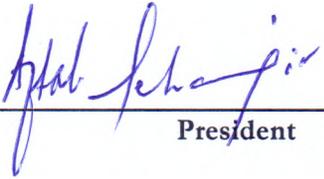


Trustee

HELP THE NEEDY CHARITABLE TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Restricted fund	Total Fund
	-----Rupees-----	
Balance as at June 30, 2021	1,530,446	2,953,075
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
Balance as at June 30, 2022	1,530,446	5,369,513
Funds received during the year	99,198,055	116,703,595
Funds released to statement of income and expenditure	99,544,955	114,278,955
Balance as at June 30, 2023	1,183,546	7,794,153

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



President



Trustee

**HELP THE NEEDY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 straight line 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.

HELP THE NEEDY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

5 PROPERTY AND EQUIPMENT	Furniture and Fixture	Office Equipment	Total
<u>Cost</u>			
Opening balance	1,395,050	4,975,000	6,370,050
Addition	-	-	-
Total Cost	1,395,050	4,975,000	6,370,050
<u>Accumulated Depreciation</u>			
Opening balance	949,030	1,967,000	2,916,030
for the year	279,010	995,000	1,274,010
Total Accumulated Depreciation	1,228,040	2,962,000	4,190,040
Net Book value as at June 30, 2023	167,010	2,013,000	2,180,010
Net Book value as at June 30, 2022	446,020	3,008,000	3,454,020

6 CASH AND BANK BALANCE	Notes	2023 -----Rupees-----	2022
Cash in hand		-	-
Cash at bank - current account	6.1	5,614,143	3,240,171
		5,614,143	3,240,171

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

7 TRADE AND OTHER PAYABLES

Accounts Payable	-	1,324,678
	-	1,324,678

11 RESTRICTED DONATION / INCOME

Ramzan & Food Pack Project	21,188,833	21,035,218
Qurbani Project	16,423,207	9,330,981
Health & Medical Project	4,428,075	2,861,206
Economic Empowerment Project	16,001,101	9,978,108
Water Project	17,578,616	24,539,670
Masjid Project	14,291,985	13,311,000
Sadqah & Welfare	3,354,517	2,097,758
Educational Project	-	394,310
Emergency Relief Project	4,556,000	398,650
Cooked Meal Project	1,375,721	3,826,445
	99,198,055	87,773,345

HELP THE NEEDY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Notes	2023	2022
	-----Rupees-----	
10 CHARITABLE FUND EXPENSES / RESTRICTED		
Ramzan & Food Pack Project	21,188,833	21,035,218
Qurbani Project	16,423,207	9,330,981
Health & Medical Project	4,428,075	2,861,206
Economic Empowerment Project	16,001,101	9,978,108
Water Project	17,578,616	24,539,670
Masjid Project	14,291,985	13,311,000
Sadqah & Welfare	3,701,417	2,097,758
Educational Project	-	394,310
Emergency Relief Project	4,556,000	398,650
Cooked Meal Project	1,375,721	3,826,445
	<u>99,544,955</u>	<u>87,773,345</u>
8 UNRESTRICTED / MANAGEMENT FEE		
Ramzan & Food Pack Project	3,739,206	3,712,097
Qurbani Project	2,898,213	1,646,644
Health & Medical Project	781,425	504,919
Economic Empowerment Project	2,823,724	1,760,842
Water Project	3,102,109	4,330,530
Masjid Project	2,522,115	2,349,000
Sadqah & Welfare	591,974	370,193
Educational Project	-	69,584
Emergency Relief Project	804,000	70,350
Cooked Meal Project	242,774	675,255
	<u>17,505,540</u>	<u>15,489,414</u>
9 ADMINISTRATIVE EXPENSES		
Depreciation expense	1,274,010	1,274,010
Utility Bills	925,760	709,182
Market Expenses	412,500	375,000
Meal & Entertainment	899,984	598,140
Salary & wages	7,869,500	6,748,500
Miscellaneous expenses	669,260	654,480
Repair & Maintenance	533,100	404,890
Vehicle Maintenance	568,700	517,000
Transportation Expenses	1,059,766	963,424
Stationery Expenses	206,820	209,100
Professional Charges	314,600	619,250
	<u>14,734,000</u>	<u>13,072,976</u>

**HELP THE NEEDY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

31 January 2024

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



President



Trustee