

Akhuwat

Financial Statements

For the year ended June 30, 2023



YOUSUF ADIL

Yousuf Adil
Chartered Accountants

134-A, Abu Bakar Block
New Garden Town
Lahore
Pakistan
Tel: +92 (0) 42 3591 3595-7
Fax: +92 (0) 42 3544 0521
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT TO THE BOARD

Opinion

We have audited the financial statements of Akhuwat ("the Society"), which comprise of the statement of financial position as at June 30, 2023, and the statement of income and expenditure and other comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at June 30, 2023, and of 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 the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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 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 Board of Directors ("the Board ") is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan, and for such internal controls as the Board 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, the Board is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibility 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 controls 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 Society'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 the 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 Society's ability to continue as a going concern. If we conclude that 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 conclusion is 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.

Yousuf Adil
Chartered Accountants

Date: December 07, 2023
Place: Lahore
UDIN: AR202310088eQDgF5APf

Engagement Partner:
Rana M. Usman Khan

AKHUWAT
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

ASSETS

Non-current assets

Property and equipment
Intangible assets
Long term investment
Long term loan and advances

Current assets

Advances, deposits, receivables and other assets
Short term investments
Cash and bank balances

Total assets

FUNDS AND LIABILITIES

LIABILITIES

Current liabilities

Creditors, accrued and other liabilities

Total liabilities

FUNDS

Unrestricted

General fund

Restricted

NJV - Akhuwat endowment fund
Donated funds
Zakat fund
Rehabilitation fund

Total funds

Total funds and liabilities

Contingencies and commitments

The annexed notes from 1 to 26 form an integral part of these financial statements.

Note	2023	2022 Rupees (Restated)	2021 (Restated)
5	2,888,810,036	2,234,663,263	1,630,889,058
6	407,887	908,650	938,228
7	69,799,970	49,799,970	-
8	95,815,472	83,189,115	773,500
	3,054,833,365	2,368,560,998	1,632,600,786
9	188,563,286	153,976,100	144,348,174
10	3,720,028,733	1,850,608,853	1,388,279,750
11	635,650,016	1,426,159,970	958,874,841
	4,544,242,035	3,430,744,923	2,491,502,765
	7,599,075,400	5,799,305,921	4,124,103,551
12	65,196,292	86,313,353	84,207,069
	65,196,292	86,313,353	84,207,069
4.11	220,794,889	99,972,592	110,994,353
4.12	1,825,982,888	1,300,000,000	800,000,000
4.12	4,078,639,076	3,421,809,600	2,769,294,218
4.12	1,406,436,678	889,273,432	357,703,559
4.12	2,025,577	1,936,944	1,904,352
	7,313,084,219	5,613,019,976	3,928,902,129
	7,533,879,108	5,712,992,568	4,039,896,482
	7,599,075,400	5,799,305,921	4,124,103,551
13			

YK

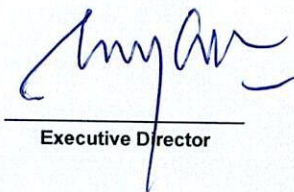
Executive Director

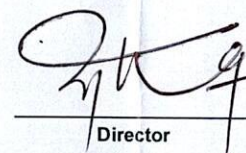
Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

Note	Unrestricted	Restricted				2023	2022
	General fund	Donated fund	Zakat fund	NJV - Akhuwat endowment fund	Rehabilitation fund		
Rupees							
							(Restated)
Income							
Operating income	14	317,075,486	-	-	91,772,500	-	337,325,718
Other income	15	248,669,544	-	-	218,373,252	138,133	209,226,034
Donations received	16	-	3,024,858,867	-	-	-	1,229,409,523
Zakat received	16	-	-	1,070,095,786	-	-	798,463,026
		565,745,030	3,024,858,867	1,070,095,786	310,145,752	138,133	2,574,424,301
Expenditure							
Operating expenses	17	367,553,176	410,119,395	352,744,174	284,162,864	-	974,948,040
General and administrative expenses	18	77,369,557	-	-	-	-	55,465,713
Donations paid		-	1,577,029,402	-	-	-	77,412,335
Corona disbursement		-	-	-	-	-	25,816,816
Program promotion		-	380,880,594	-	-	-	237,570,775
Zakat paid		-	-	200,188,366	-	-	30,060,536
Stipends paid		-	-	-	-	-	54,000
Total expenditure		444,922,733	2,368,029,391	552,932,540	284,162,864	49,500	1,401,328,215
Surplus of income over expenditure for the year		120,822,297	656,829,476	517,163,246	25,982,888	88,633	1,173,096,086
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		120,822,297	656,829,476	517,163,246	25,982,888	88,633	1,173,096,086

The annexed notes from 1 to 26 form an integral part of these financial statements.

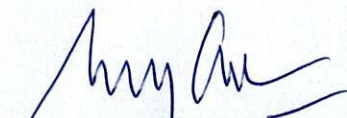

Executive Director

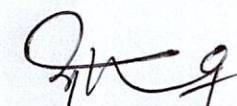

Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Unrestricted general fund	Restricted				Total
	General Fund	Donated fund	Zakat fund	NJV- Akhuwat endowment fund	Rehabilitation fund	
		Rupees				
Balance as at June 30, 2021 - as reported earlier	110,994,353	3,569,294,218	357,703,559	-	1,904,352	4,039,896,482
Impact of restatement	-	(800,000,000)	-	800,000,000	-	-
Balance as at June 30, 2021 - restated	110,994,353	2,769,294,218	357,703,559	800,000,000	1,904,352	4,039,896,482
Comprehensive income:						
(Deficit) / surplus of income over expenditure for the year - restated	(11,021,761)	652,515,382	531,569,873	-	32,592	1,173,096,086
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income - restated	(11,021,761)	652,515,382	531,569,873	-	32,592	1,173,096,086
Funds received	-	-	-	500,000,000	-	500,000,000
Balance as at June 30, 2022 - restated	99,972,592	3,421,809,600	889,273,432	1,300,000,000	1,936,944	5,712,992,568
Comprehensive income:						
Surplus of income over expenditure for the year	120,822,297	656,829,476	517,163,246	25,982,888	88,633	1,320,886,540
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	120,822,297	656,829,476	517,163,246	25,982,888	88,633	1,320,886,540
Funds received	-	-	-	500,000,000	-	500,000,000
Balance as at June 30, 2023	220,794,889	4,078,639,076	1,406,436,678	1,825,982,888	2,025,577	7,533,879,108

The annexed notes from 1 to 26 form an integral part of these financial statements.


Executive Director


Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 -----Rupees-----	2022 (Restated)
Cash flows from operating activities			
Surplus for the year		1,320,886,540	1,173,096,086
Adjustments for:			
Depreciation on property and equipment	5.2.1	152,249,962	95,240,221
Amortization of intangible assets	6	500,763	374,750
Return on term deposit receipts	15	(336,002,213)	(110,219,901)
Return on bank deposits	15	(71,024,211)	(42,365,353)
Dividend income	15	(33,713,106)	(13,858,367)
Exchange gain	15	(6,797,107)	(13,611,807)
Present value adjustment of loan	17	-	18,764,787
Unwinding of present value adjustment	8.1	(7,579,245)	-
Provision of advance tax	9.3	116,761	4,972,884
Gain on disposal of property and equipment	15	-	(23,063,926)
		(302,248,396)	(83,766,712)
		<u>1,018,638,144</u>	<u>1,089,329,374</u>
Changes in working capital			
(Increase) in advances, deposits, receivables and other assets		(8,549,431)	(10,896,112)
(Decrease) / increase in creditors, accrued and other liabilities		(21,117,061)	2,106,284
Advance tax paid		(811,961)	(4,885,100)
		(30,478,453)	(13,674,928)
Net cash generated from operating activities		<u>988,159,691</u>	<u>1,075,654,446</u>
Cash flows from investing activities			
Purchase of property and equipment	5	(806,396,735)	(709,200,500)
Proceeds from sale of property and equipment		-	33,250,000
Purchase of intangibles	6	-	(345,172)
Long term investment		(20,000,000)	(49,799,970)
Long term loan		-	(100,000,000)
Addition in investments		(21,631,876,853)	(5,298,575,931)
Proceeds from redemption / maturity of investments		19,796,127,524	4,850,105,195
Return on term deposit receipts		305,655,101	110,219,901
Return on bank deposits		71,024,211	42,365,353
Net cash used in investing activities		<u>(2,285,466,752)</u>	<u>(1,121,981,124)</u>
Cash flow from financing activities			
Funds received in NJV - Akhuwat endowment fund		500,000,000	500,000,000
Net increase in cash and cash equivalents		(797,307,061)	453,673,322
Effect of currency translation		6,797,107	13,611,807
Cash and cash equivalents at beginning of the year		1,426,159,970	958,874,841
Cash and cash equivalents at end of the year	11	<u>635,650,016</u>	<u>1,426,159,970</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

7X


Executive Director


Director