

AKHUWAT

Unconsolidated Financial Statements

For the Year Ended June 30, 2022.



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, 2022, 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, 2022, 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 08, 2022

Place: Lahore

UDIN: AR202210088sPdJrDScO

Engagement Partner:
Rana M. Usman Khan

AKHUWAT
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
ASSETS			
Non-current assets			
Property and equipment	5	2,234,663,263	1,630,889,058
Intangible assets	6	908,650	938,228
Long term investment	7	49,799,970	-
Long term loan and advances	8	83,189,115	773,500
		2,368,560,998	1,632,600,786
Current assets			
Advances, deposits, receivables and other assets	9	153,976,100	144,348,174
Investments	10	1,850,608,853	1,388,279,750
Cash and bank balances	11	1,426,159,970	958,874,841
		3,430,744,923	2,491,502,765
Total assets		5,799,305,921	4,124,103,551
FUNDS AND LIABILITIES			
LIABILITIES			
Current liabilities			
Creditors, accrued and other liabilities	12	86,313,353	84,207,069
Total liabilities		86,313,353	84,207,069
FUNDS			
Unrestricted			
General fund		99,972,592	110,994,353
Restricted			
Donated funds		4,721,809,600	3,569,294,218
Zakat fund		889,273,432	357,703,559
Rehabilitation fund		1,936,944	1,904,352
		5,613,019,976	3,928,902,129
Total funds		5,712,992,568	4,039,896,482
Total funds and liabilities		5,799,305,921	4,124,103,551
Contingencies and commitments	13		

The annexed notes from 1 to 25 form an integral part of these financial statements.


Executive Director


Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

Note	Unrestricted	Restricted			2022	2021	
	General fund	Donated fund	Zakat fund	Rehabilitation fund			
Rupees							
Income							
Operating income	14	337,325,718	-	-	-	337,325,718	424,865,435
Other income	15	209,139,442	-	-	86,592	209,226,034	102,577,557
Donations received	16	-	1,729,409,523	-	-	1,729,409,523	1,171,798,749
Zakat received	16	-	-	798,463,026	-	798,463,026	511,984,262
		546,465,160	1,729,409,523	798,463,026	86,592	3,074,424,301	2,211,226,003
Expenditure							
Operating expenses	17	502,021,208	-	-	-	502,021,208	399,571,602
General and administrative expenses	18	55,465,713	-	-	-	55,465,713	41,788,730
Donated fund utilised	17.1	-	236,094,215	-	-	236,094,215	176,768,926
Donations paid		-	77,412,335	-	-	77,412,335	43,099,571
Corona disbursement		-	25,816,816	-	-	25,816,816	29,217,557
Program Promotion		-	237,570,775	-	-	237,570,775	85,489,826
Zakat fund utilised	17.1	-	-	236,832,617	-	236,832,617	171,361,274
Zakat paid		-	-	30,060,536	-	30,060,536	14,424,527
Stipends paid		-	-	-	54,000	54,000	54,000
Total expenditure		557,486,921	576,894,141	266,893,153	54,000	1,401,328,215	961,776,013
(Deficit) / surplus of income over expenditure for the year		(11,021,761)	1,152,515,382	531,569,873	32,592	1,673,096,086	1,249,449,990
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(11,021,761)	1,152,515,382	531,569,873	32,592	1,673,096,086	1,249,449,990

The annexed notes from 1 to 25 form an integral part of these financial statements.


 Executive Director


 Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Unrestricted general fund	Restricted			Total
	General Fund	Donated fund	Zakat fund	Rehabilitation fund	
	Rupees				
Balance as at June 30, 2020	24,970,140	2,732,071,349	31,505,098	1,899,905	2,790,446,492
Comprehensive income:					
Surplus of income over expenditure for the year	86,024,213	837,222,869	326,198,461	4,447	1,249,449,990
Other comprehensive income	-	-	-	-	-
Total comprehensive income	86,024,213	837,222,869	326,198,461	4,447	1,249,449,990
Balance as at June 30, 2021	110,994,353	3,569,294,218	357,703,559	1,904,352	4,039,896,482
Comprehensive income:					
(Deficit) / surplus of income over expenditure for the year	(11,021,761)	1,152,515,382	531,569,873	32,592	1,673,096,086
Other comprehensive income	-	-	-	-	-
Total comprehensive income	(11,021,761)	1,152,515,382	531,569,873	32,592	1,673,096,086
Balance as at June 30, 2022	99,972,592	4,721,809,600	889,273,432	1,936,944	5,712,992,568

The annexed notes from 1 to 25 form an integral part of these financial statements.


 Executive Director


 Director

AKHUWAT
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
Cash flows from operating activities			
Surplus for the year		1,673,096,086	1,249,449,990
Adjustments for:			
Depreciation on property and equipment	5.2.1	95,240,221	79,794,929
Amortization of intangible assets	6	374,750	465,699
Return on term deposit receipts	15	(110,219,901)	(64,514,931)
Return on bank deposits	15	(42,365,353)	(12,873,407)
Dividend income	15	(13,858,367)	(12,415,138)
Exchange gain	15	(13,611,807)	(5,972,023)
Present value adjustment of loan	17	18,764,787	-
Provision of advance tax		4,972,884	-
Gain on disposal of property and equipment	15	(23,063,926)	(184)
		(83,766,712)	(15,515,055)
		1,589,329,374	1,233,934,935
Changes in working capital			
(Increase) / decrease in advances, deposits, receivables and other assets		(10,896,112)	(76,519,751)
Increase in creditors, accrued and other liabilities		2,106,284	62,221,499
Advance tax paid		(4,885,100)	(489,522)
		(13,674,928)	(14,787,774)
Net cash generated from operating activities		1,575,654,446	1,219,147,161
Cash flows from investing activities			
Purchase of property and equipment	5	(709,200,500)	(267,983,845)
Proceeds from sale of property and equipment		33,250,000	70,904
Purchase of intangibles	6	(345,172)	(1,069,093)
Long term investment		(49,799,970)	-
Long term loan		(100,000,000)	-
Addition in investments		(5,298,575,931)	(6,409,956,979)
Proceeds from redemption / maturity of investments		4,850,105,195	5,918,005,464
Return on term deposit receipts		110,219,901	65,004,453
Return on bank deposits		55,977,160	18,845,614
Net cash used in investing activities		(1,108,369,317)	(677,083,482)
Net increase in cash and cash equivalents		467,285,129	542,063,679
Cash and cash equivalents at beginning of the year		958,874,841	416,811,162
Cash and cash equivalents at end of the year	11	1,426,159,970	958,874,841

The annexed notes from 1 to 25 form an integral part of these financial statements.



 Executive Director



 Director

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