

## Opinion

We have audited the financial statements of **EQUAL FOUNDATION (TRUST)**, which comprise the Balance Sheet as at June 30, 2022 and the statement of Income and expenditure, 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, (or give a true and fair view of) the Balance Sheet of **EQUAL FOUNDATION (TRUST)**, as at June 30, 2022 and (of) its financial performance for the year then ended in accordance with the 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 **EQUAL FOUNDATION (TRUST)**, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants as adopted by the Institute of Chartered Accountant 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

The management committee is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the management committee determine(s) is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management committee 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 Responsibilities

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 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 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 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 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.



**Fatima and Company**  
**Chartered Accountants**  
**Audit Engagement Partner:**  
**Fatima Shumaila**  
**Date: 14 September 2022**  
**Lahore**



**EQUAL FOUNDATION (TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**4 PROPERTY, PLANT AND EQUIPMENT**  
**4.1 Operating fixed assets**

Electric Equipment	Furniture & Fixtures	Machines	Computer	Total
RUPEES				

**As at July 1, 2021**

Cost	40,700	1,179,079	711,550	77,000	2,008,329
Accumulated depreciation	6,105	176,862	106,732	23,101	312,800
<b>Net book value</b>	<b>34,595</b>	<b>1,002,217</b>	<b>604,818</b>	<b>53,899</b>	<b>1,695,529</b>

**Movement during the year**

Net book value	34,595	1,002,217	604,818	53,899	1,695,529
Addition - Cost	-	872,650	433,900	150,250	1,456,800

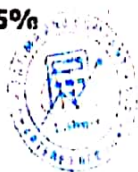
Disposal	-	-	-	-	-
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-

Depreciation for the year	5,189	281,230	155,808	61,245	503,472
---------------------------	-------	---------	---------	--------	---------

**As at June 30, 2021**

Cost	40,700	2,051,729	1,145,450	227,250	3,465,129
Accumulated depreciation	11,294	458,092	262,540	84,346	816,272
<b>Net Book value</b>	<b>29,406</b>	<b>1,593,637</b>	<b>882,910</b>	<b>142,904</b>	<b>2,648,857</b>

<b>Depreciation rates</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>30%</b>	
---------------------------	------------	------------	------------	------------	--



Scanned with CamScanner



# **EQUAL FOUNDATION (TRUST)**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED JUNE 30, 2022**

#### **1 LEGAL STATUS AND NATURE OF THE BUSINESS**

M/s Equal foundation(Trust) was registered in Lahore in 2021. The entity works as an independent, non governmental and non profit charitable organization. The main objectives are to run orphan house and old home with educational facilities.

#### **2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the revised financial reporting guidelines for NPOs issued by ICAP.

#### **3 SIGNIFICANT ACCOUNTING POLICIES**

##### **3.1 Accounting Convention**

These financial statements have been prepared under the historical cost convention except as other wise stated in the respective policies and notes given hereunder.

##### **3.2 OPERATING FIXED ASSETS**

Operating fixed assetst are stated at cost less accumulated depreciation. Depreciation is charged by reducing balance method at the rates mentioned in note. 4 on monthly basis. Depreciation on additions in charged from the month in which the asset was available for use up to the month prior to disposal. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. Gain or loss on disposal o fixed assets, if any, is taken to profit and loss accounts

##### **3.3 INCOME**

Income comprises the increase in economic benefits during financial year in the form of inflows or enhancements in the value of assets or in a decrease in liabilities that results in an increase in the accumulated fund, other than those relating to contributions from donors or contributions to restricted funds that are unutilized at the end of the year.



**EQUAL FOUNDATION (TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>2022 Rupees</b>
<b>5 ADVANCES, DEPOSITS AND PREPAYMENTS</b>	
Advances to staff	-
Misc advances	5,810
Advance Rent	30,000
	<u><b>35,810</b></u>
<b>6 CASH AND BANK BALANCES</b>	
Cash in hand	1,000
Cash at bank	-
	<u><b>1,000</b></u>
<b>7 ACCRUED AND OTHER LIABILITIES</b>	
Accrued expenses	-
<b>Other liabilities</b>	
Salaries payable	-
Misc payables	675,731
WHT Income Tax Payable	-
	<u><b>675,731</b></u>
<b>8 CONTINGENCY AND COMMITMENTS</b>	-
<b>8.1 Contingencies</b>	
NGO has no contingencies as on reporting date ( 2021: Nil).	-
<b>8.2 Commitments</b>	
NGO has no commitments as on reporting date ( 2022: Nil).	-
<b>9 INCOME</b>	
Donations	9,375,983
Contributions	-
Membership Fee	-
	<u><b>9,375,983</b></u>
<b>10 DIRECT EXPENSES</b>	
Medicines	442,775
Garments	333,950
Food and groceries	1,289,594
Staff salaries - direct	3,852,900
Education	268,649
Travelling and conveyance	6,910
Seminars, events	104,578
Depreciation	302,083
Miscellaneous direct	1,105,000
	<u><b>7,706,439</b></u>



**EQUAL FOUNDATION (TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Rupees
<b>11 ADMINISTRATIVE AND GENERAL EXPENSES</b>	
Printing and stationery	135,327
Professional charges	6,000
Rent, rates and taxes	258,000
Repair and maintenance expenses -building	197,906
Electricity Bill	831,568
Gas bill	2,100
Depreciation	201,389
Miscellaneous	12,160
	<u><u>1,644,450</u></u>

**12 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on \_\_\_\_\_ by Board of trust foundation.

**13 GENERAL**

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been rearranged when over necessary, for the purpose of comparison and better presentation.

  
\_\_\_\_\_  
**PRESIDENT**



  
\_\_\_\_\_  
**SECRETARY**

**EQUAL FOUNDATION (TRUST)  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Note</b>	<b>2022 Rupees</b>
<b>INCOME</b>	<b>9</b>	<b>9,375,983</b>
<b>EXPENDITURE</b>		
Direct expenses	10	(7,706,439)
<b>OPEARTING SURPLUS/ (DEFICIT)</b>		<b><u>1,669,544</u></b>
Administrative and general expenses	11	<b><u>(1,644,450)</u></b>
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		<b><u>25,094</u></b>
Taxation		<b><u>(5,019)</u></b>
<b>ACCUMULATED SURPLUS / (DEFICIT) CARRY FORWARD</b>		<b><u>20,075</u></b>

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



  
**PRESIDENT**

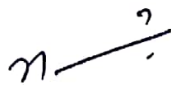
  
**SECRETARY**

**EQUAL FOUNDATION (TRUST)**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2022**

	Note	2022 Rupees
<b>NON-CURRENT ASSETS</b>		
Operating fixed assets	4	2,648,857
Intangible assets		20,000
<b>CURRENT ASSETS</b>		
Advances, prepayments and other receivables	5	35,810
Cash and bank balances	6	1,000
		<b>36,810</b>
<b>TOTAL ASSETS</b>		<b>2,705,667</b>
<b>FUNDS AND LIABILITIES</b>		
Opening Funds		2,004,842
Surplus / (Deficit)		20,075
		<b>2,024,917</b>
<b>LONG TERM LIABILITIES</b>		-
<b>CURRENT LIABILITIES</b>		
Accrued and other liabilities	7	680,750
		<b>680,750</b>
<b>Contingencies and commitment</b>		-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>2,705,667</b>

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



  
**PRESIDENT**

  
**SECRETARY**



**EQUAL FOUNDATION (TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**RESTRICTED INCOME**

Restricted income are not gratuitous and are based on agreements, contracts, or other understanding, where the conditions for receipt of the funds are linked to a performance of a service or other process. Revenue will only be recognized in the "income and expenditure account" when there is reasonable assurance that the contribution will be received, and the conditions stipulated for its receipt have been complied with. Restricted income include as follow:

Restricted income is recognized to extent of expenses incurred while implementation of the projects and in accordance with agreement with donors;

**UN-RESTRICTED INCOME**

Un-restricted income is recognized as income as and when amount of revenue can be measured reliably, or when it is probable that the economic benefits associated with the transaction will flow to the society. Unrestricted income include as follow:

-Management income is the amount deducted by the society on funds received during the year to meet the administrative expenses of the society;

-Surplus recognized on disposal of unrestricted assets; and

-Amount transfer to income against designated assets utilized during the year.

