

**AL-MUJTABA EDUCATION TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2021**

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of **AL-MUJTABA EDUCATION** (the Trust) which comprise of the balance sheet as at June 30, 2021, and the statement of income and expenditure, the statement of changes in funds and the 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 balance sheet, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows present fairly, in all material respects, the financial position of the Trust as at June 30, 2021, and of its financial performance, changes in funds and its cash flows 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 describe in the 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 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Trustees are 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 control as the management 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 Trustees are responsible for assessing the Trust 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's financial reporting process.

Auditors' 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 decision 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 scepticism through the audit. We also:

- (a) 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.
- (b) 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 expressing an opinion on the effectiveness of the Trust's internal control.
- (c) Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.
- (d) Conclude on the appropriateness of the Trustees use of going concern basis of accounting, based on the audit evidence obtained, whether a material uncertainty exists 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents 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 and significant deficiencies in internal control that we identify during our audit.

Islamabad,

Amir Alam Khan & Co
Chartered Accountants
Abdul Basit

Basit

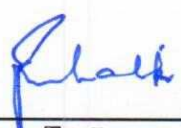

AL-MUJTABA EDUCATION TRUST
BALANCE SHEET
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
NON CURRENT ASSETS			
Property and equipment	4	2,192,304	2,655,356
Security deposits - Landlord		50,000	50,000
		2,242,304	2,705,356
CURRENT ASSETS			
Short term investment		48,000,000	-
Advances and prepayments	6	689,282	631,594
Cash and bank balances	7	34,083,443	50,538,758
		82,772,725	51,170,352
TOTAL ASSETS		85,015,029	53,875,708
LESS: CURRENT LIABILITIES			
Trade and other payables	8	55,120	44,331
Scholarship payable		19,638,748	12,773,563
		19,693,868	12,817,894
		65,321,161	41,057,814
REPRESENTED BY:			
General fund		(1,182,957)	(660,326)
Other specific funds		66,504,118	41,718,140
		65,321,161	41,057,814
		65,321,161	41,057,814
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes 1 to 14 form an integral part of these financial statements.

Rawalpindi,

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 Trustee (Retd) Ghulam Muhammad Malik Chairman Al-Mujtaba Education Trust Rwp.	 Trustee Brig (Retd) Mukhtar Ahmed Malik Member Administration Al-Mujtaba Education Trust Rwp.
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AL-MUJTABA EDUCATION TRUST
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	General Fund	Restricted fund		General Fund	Restricted fund	
		Education Fund	Zakat Fund		Education Fund	Zakat Fund
Income						
Education donation	-	21,460,305	39,320,287	60,780,592	-	27,637,971
Zakat	-	-	-	-	-	-
Profit on bank account	-	1,170,829	645,691	1,816,520	-	22,865,800
Transfer from Restricted funds	4,554,567	-	-	4,554,567	-	871,449
Members contribution	2,282,740	-	-	2,282,740	6,029,156	2,691,366
Other receipts	-	141,700	1,172,392	1,314,092	26,300	6,029,156
	6,837,307	22,772,834	41,138,370	70,748,511	-	26,300
					687,890	50,000
					30,145,778	23,787,249
					6,055,456	59,988,483
Expenses						
Educational expenses	-	(3,292,407)	(24,373,664)	(27,666,071)	-	(25,597,760)
Committed expense	-	(6,865,183)	-	(6,865,183)	-	-
Transfer to general fund	-	(4,554,567)	-	(4,554,567)	-	-
Bank charges	-	-	(39,405)	(39,405)	(6,029,156)	(6,029,156)
Administrative expenses	(7,359,938)	-	-	(7,359,938)	(1,508)	(3,364)
					(6,641,928)	(6,641,928)
	(7,359,938)	(14,712,157)	(24,413,069)	(46,485,164)	(6,641,928)	(38,272,208)
Surplus / (deficit) for the year	(522,631)	8,060,677	16,725,301	24,263,347	(586,472)	20,997,104
					1,305,643	21,716,275

The annexed notes 1 to 14 form an integral part of these financial statements.

Rawalpindi,



Trustee
Ghulam Muhammad Malik
 Chairman
 Al-Mujtaba Education Trust Rwp.




Trustee
Mukhtar Ahmed Malik
 Member Administration
 Al-Mujtaba Education Trust Rwp.

**AL-MUJTABA EDUCATION TRUST
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2021**


General fund	Restricted fund			Total
	Education fund	Zakat fund	Total of restricted fund	
Balance as at June 30, 2019	(73,854)	(4,401,055)	23,816,448	19,341,539
Surplus / deficit for the year	(586,472)	20,997,104	1,305,643	21,716,275
Balance as at June 30, 2020	(660,326)	16,596,049	25,122,091	41,057,814
Surplus / deficit for the year	(522,631)	8,060,677	16,725,301	24,263,347
Balance as at June 30, 2021	<u>(1,182,957)</u>	<u>24,656,726</u>	<u>41,847,392</u>	<u>66,504,118</u>

The annexed notes 1 to 14 form an integral part of these financial statements.

Rawalpindi,



Trustee
Lt Gen(Retd)
Ghulam Muhammad Malik
Chairman
Al-Mujtaba Education Trust Rwp.



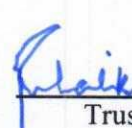
Trustee
Brig(Retd)
Mukhtar Ahmed Malik
Member Administration
Al-Mujtaba Education Trust Rwp.


**AL-MUJTABA EDUCATION TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
Surplus for the year		24,263,347	21,716,275
Adjustments of non-cash and other items:			
Financial charges - bank charges		39,405	3,364
Depreciation		535,552	744,433
Operating surplus before working capital changes:		24,838,304	22,464,072
Adjustment for working capital changes:			
(Increase) / decrease in current assets			
Advances and prepayments		(57,688)	(528,807)
Long term deposit		-	(50,000)
Increase / (decrease) in current liabilities			
Trade and other payables		10,789	44,331
Scholarship payable		6,865,185	(5,280,265)
Cash generated from operating activities		31,656,590	16,649,331
Financial charges - bank charges paid		(39,405)	(3,364)
Net cash generated from operating activities		31,617,185	16,645,967
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets purchased		(72,500)	(2,639,565)
Short term investment		(48,000,000)	-
Net cash used in investing activities		(48,072,500)	(2,639,565)
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net (decrease) / increase in cash and cash equivalents		(16,455,315)	14,006,402
Cash and cash equivalents at beginning of year		50,538,758	36,532,356
Cash and cash equivalents at end of year		34,083,443	50,538,758

The annexed notes 1 to 14 form an integral part of these financial statements.

Rawalpindi,


 Trustee
 Lt Gen(Retd)
 Ghulam Muhammad Malik
 Chairman
 Al-Mujtaba Education Trust Rwp.


 Trustee
 Brig(Retd)
 Mukhtar Ahmed Malik
 Member Administration
 Al-Mujtaba Education Trust Rwp.

AL-MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. STATUS AND NATURE OF BUSINESS

AL-MUJTABA EDUCATION TRUST ("the trust") was registered on February 11, 2016 under the Trust Act, 1882. It is situated at House 463, First Floor, Street 17, Chaklala Scheme 3, Rawalpindi. The trust is engaged in:

- The objectives of Al-Mujtaba Trust is to select talented boys and girls from government schools at primary and middle level and supporting their further education. Where necessary, admitting them in higher quality schools and bearing their expenses on fees, uniform and conveyance etc.
- Arranging and where necessary financing poly technical, vocational and computer training for boys and girls having aptitude, thereby enabling them for suitable jobs.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the 'Financial Reporting Guidelines for the NGOs / NPOs engaged in Microfinance' issued by Institute of Chartered Accountants of Pakistan (ICAP). In case requirements of the IFRS and ICAP guidelines differ, ICAP shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee (Rs. / Rupees) which is the Trust's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) and the 'Financial Reporting Guidelines for the NGOs / NPOs engaged in Microfinance' issued by Institute of Chartered Accountants of Pakistan (ICAP) requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Trust's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.1 and 4;
- Estimation of contingent liabilities - Note 3.3.
- Provision for taxation - Note 3.4;

The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

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**AL-MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these financial statements are summarized as under:

3.1 Property Plant and Equipment

Initial recognition

All items of property, plant and equipment are initially recorded at cost. Cost comprises of acquisition and other directly attributable costs.

Subsequent measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any). Maintenance and repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.

Depreciation

All items of property, plant and equipment are depreciated on reducing balance method at the annual rate of 15 to 30 percent, depending upon each class of asset. Full year's depreciation is charged on additions while no depreciation is charged on deletions, made during the year. Full year's depreciation is charged to income and expenditure account.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as an income / expense in the statement of income and expenditure account currently.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services received, whether or not billed to the Trust.

3.3 Contingent liabilities

A contingent liability is disclosed when the Trust has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Trust; or the Trust has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

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AL-MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

3.4 Income tax

Current tax is the expected tax payable on the taxable income for the year; calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

3.5 Revenue recognition

Unrestricted Grants

Grant and donations received from donors without any conditions are recognized as income during the year on receipt basis.

Restricted Grants

Donations which are specific for a particular project / expense are recognized as income when the related terms and conditions are fulfilled and the Trust has no remaining performance obligation. Such grants are transferred to income as grants to the extent of actual expenditure incurred there against. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from donors. Unspent portion of such grants are reflected as restricted grants in the statement of

Profit on bank deposits

Income on bank deposits is recognized on receipt basis.

3.6 Offsetting financial assets and liabilities

A financial asset and a financial liability is set-off in the statement of financial position, only when the Trust has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

3.7 Method of preparation of statement of cash flows

The statement of cash flows is prepared using indirect method.

3.8 Cash and cash equivalent

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks on current accounts and deposit accounts and balances of outstanding running finance facilities availed by the Trust.

3.9 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates in the same terms and conditions as third party transactions using valuation modes, as admissible except in extremely rare circumstances where, subject to the approval of the Board of Trustees, it is in the interest of the Trust to do so.

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AL-MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. PROPERTY AND EQUIPMENT

Particulars	Office equipment	Furniture and fixture	Computers and IT equipment	Vehicle	Total
-----Rupees-----					
As at July 01, 2019					
Cost	175,843	514,971	518,600	-	1,209,414
Accumulated depreciation	(46,709)	(150,427)	(252,054)	-	(449,190)
Net book value	129,134	364,544	266,546	-	760,224
Year ended June 30, 2020					
Opening net book value	129,134	364,544	266,546	-	760,224
Additions	14,525	-	-	2,625,040	2,639,565
Disposals	-	-	-	-	-
Depreciation charge	(21,120)	(77,246)	(155,580)	(490,487)	(744,433)
Net book value	122,539	287,298	110,966	2,134,553	2,655,356
As at June 30, 2020					
Cost	190,368	514,971	518,600	2,625,040	3,848,979
Accumulated depreciation	(67,829)	(227,673)	(407,634)	(490,487)	(1,193,623)
Net book value	122,539	287,298	110,966	2,134,553	2,655,356
Year ended June 30, 2021					
Opening net book value	122,539	287,298	110,966	2,134,553	2,655,356
Additions	-	52,500	20,000	-	72,500
Disposals	-	-	-	-	-
Depreciation charge	(18,381)	(50,970)	(39,290)	(426,911)	(535,552)
Net book value	104,158	288,828	91,676	1,707,642	2,192,304
As at June 30, 2021					
Cost	190,368	567,471	538,600	2,625,040	3,921,479
Accumulated depreciation	(86,210)	(278,643)	(446,924)	(917,398)	(1,729,175)
Net book value	104,158	288,828	91,676	1,707,642	2,192,304
Depreciation rate	15%	15%	30%	20%	

AL-MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. SHORT TERM INVESTMENT

This represents one year Term Deposit Receipts with Allied Bank Limited and carries mark up at the rate ranging from 4.09 - 5.20 percent per annum.

	Note	2021 Rupees	2020 Rupees
6. ADVANCES AND PREPAYMENTS			
Advances			
For expenses		157,920	157,920
Staff loan		24,000	-
Income tax		407,362	373,674
Prepayments			
Prepaid rent		100,000	100,000
		<u>689,282</u>	<u>631,594</u>

7. CASH AND BANK BALANCES

Cash in hand		33,602	59,572
Cash at banks			
Donation account		2,410,567	35,531,524
Zakat account		31,639,274	14,947,662
		<u>34,083,443</u>	<u>50,538,758</u>

8. TRADE AND OTHER PAYABLES

Vocational centre		5,120	5,120
Accrued expenses		50,000	39,211
		<u>55,120</u>	<u>44,331</u>

9. CONTINGENCIES AND COMMITMENTS

There were no known contingencies and commitments as at balance sheet date (2020 : Nil).

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**AL-MUJTABA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
10. ADMINISTRATIVE EPXENSES			
Salaries, wages and benefits		3,667,185	3,424,784
Office rent		631,364	483,072
Utilities		157,512	179,992
Chairman visit		14,590	23,521
Travel and conveyance		91,028	151,800
Vehicle running		155,668	168,316
Fee and subscription		10,260	303,000
Auditors' remuneration		70,000	25,000
Vocational centre		896,290	404,786
Repair and maintenance		64,104	55,850
Postage		50,901	80,154
Printing and stationary		225,796	185,833
Entertainment		155,321	126,108
Books and newspaper		28,455	-
Award and gifts		-	28,275
Training		-	5,500
Tax charges		382,218	-
Miscellaneous		223,694	251,504
Depreciation	4	535,552	744,433
		<u>7,359,938</u>	<u>6,641,928</u>

11. RELATED PARTY TRANSACTIONS

No transactions with related parties were made during the year.

	Note	2021	2020
12. TOTAL NUMBER OF EMPLOYEES			
Total employees as at year end		<u>21</u>	<u>21</u>

13. EVENTS AFTER THE END OF THE REPORTING DATE

No such events have occurred that requires disclosure in these financial statements.

14. FIGURES

In these financial statements figures have been rounded off to the nearest rupee and of the previous year have been re-arranged and re-grouped wherever necessary to facilitate comparison.

Rawalpindi,


Lt Gen(Retd)
Ghulam Muhammad Malik
Chairman
Al-Mujtaba Education Trust Rwp.


Trustee
Brig(Retd)
Mukhtar Ahmed Malik
Member Administration
Al-Mujtaba Education Trust Rwp.