

**AL-MUJTABA EDUCATION TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2023**

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES

### Opinion

We have audited the annexed financial statements of **AL-MUJTABA EDUCATION TRUST** (the Trust), which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure, 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.

In our opinion, the accompanying statement of financial position, 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, 2023, and of its financial performance, the 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 described in the Auditors' 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 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 opinion.

### Responsibilities of Management and Board of Trustees for the Financial Statements

The management 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 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, management is 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.

Board of Trustees 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

**Other office:** Plot 1, I & T Centre, Street 40, G-10/4, Islamabad, Tele: 051-2353978



As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout 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 the purpose of 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 management's use of 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 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 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 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Abdul Basit.

Rawalpindi

Date: August 31, 2024

UDIN: AR202310287rEFcRXym2

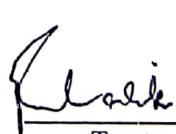


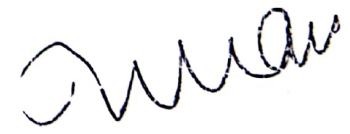
*Amir Alam Khan & Co.*  
Amir Alam Khan & Co.  
Chartered Accountants  
*Basit*

**AL-MUJTABA EDUCATION TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>FUND BALANCES:</b>			
General fund		(6,532,859)	(3,528,062)
Restricted funds		123,249,101	87,818,373
		116,716,242	84,290,311
		116,716,242	84,290,311
<b>REPRESENTED BY:</b>			
<b>NON CURRENT ASSETS</b>			
Fixed assets	4	1,495,788	1,812,435
Security deposit - landlord		90,000	60,500
		1,585,788	1,872,935
<b>CURRENT ASSETS</b>			
Advances and prepayments	5	2,352,439	1,684,637
Short term investments	6	106,075,014	68,000,000
Other receivable - income tax		1,586,744	407,362
Cash and bank balances	7	72,295,411	50,162,808
		182,309,608	120,254,807
<b>TOTAL ASSETS</b>		183,895,396	122,127,742
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables	8	112,398	114,000
Scholarship payable		67,066,756	37,723,431
<b>TOTAL LIABILITIES</b>		67,179,154	37,837,431
<b>NET ASSETS</b>		116,716,242	84,290,311
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-	-

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

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

  
 Trustee (Retd)  
 Muhammad Akram Malik  
 Member Finance  
 Al-Mujtaba Education Trust Rwp.



**AL-MUJTABA EDUCATION TRUST**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Particulars	Note	2023 - Rupees				2022 - Rupees			
		General fund	Restricted funds		Total	General fund	Restricted funds		Total
			Education fund	Zakat fund			Education fund	Zakat fund	
<b>Income:</b>									
Donation		-	58,875,148	44,870,231	103,745,379	-	31,508,461	41,789,884	73,298,345
Profit on bank accounts		-	1,849,253	1,773,801	3,623,054	-	3,804,411	1,524,474	5,328,885
Profit on investment		-	8,538,994	6,288,031	14,827,025	-	-	-	-
Transfer from restricted funds		11,775,030	-	-	11,775,030	7,144,634	-	-	7,144,634
Other receipts		-	90,000	91,971	181,971	-	85,419	1,152,169	1,237,588
		11,775,030	69,353,395	53,024,034	134,152,459	7,144,634	35,398,291	44,466,527	87,009,452
<b>Expenses:</b>									
Educational		-	(2,413,834)	(28,224,895)	(30,638,729)	-	(2,771,679)	(20,526,760)	(23,298,439)
Committed		-	(44,530,854)	-	(44,530,854)	-	(28,056,704)	-	(28,056,704)
Vocational center		(6,327,625)	-	-	(6,327,625)	(3,767,464)	-	-	(3,767,464)
Transfer to general fund		-	(11,775,030)	-	(11,775,030)	-	(7,144,634)	-	(7,144,634)
Bank charges		-	-	(2,088)	(2,088)	-	(48,699)	(2,087)	(50,786)
Administrative	10	(7,370,114)	-	-	(7,370,114)	(5,722,275)	-	-	(5,722,275)
		(13,697,739)	(58,719,718)	(28,226,983)	(100,644,440)	(9,489,739)	(38,021,716)	(20,528,847)	(68,040,302)
<b>Surplus / (Deficit) for the year - before tax</b>		(1,922,709)	10,633,677	24,797,051	33,508,019	(2,345,105)	(2,623,425)	23,937,680	18,969,150
<b>Taxation</b>		(1,082,088)	-	-	(1,082,088)	-	-	-	-
<b>Surplus / (Deficit) for the year - after tax</b>		(3,004,797)	10,633,677	24,797,051	32,425,931	(2,345,105)	(2,623,425)	23,937,680	18,969,150

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

*Black*

**La Genet**  
**Chairman**

*Black*

**Chairman**  
**Member Finance**

Particulars	General fund	Restricted funds			Total
		Education fund	Zakat fund	Total of restricted funds	
-----Rupees-----					
BALANCE AS AT JULY 01, 2021	(1,182,957)	24,656,726	41,847,392	66,504,118	65,321,161
Surplus / (Deficit) for the year	(2,345,105)	(2,623,425)	23,937,680	21,314,255	18,969,150
BALANCE AS AT JUNE 30, 2022	(3,528,062)	22,033,301	65,785,072	87,818,373	84,290,311
Surplus / (Deficit) for the year	(3,004,797)	10,633,677	24,797,051	35,430,728	32,425,931
BALANCE AS AT JUNE 30, 2023	(6,532,859)	32,666,978	90,582,123	123,249,101	116,716,242

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

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Trustee Li Gen Bao  
Ghulam Muhammad Nadeem  
Chairman  
Al-Mujtaba Education Trust Reg.

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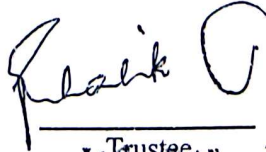
~~TrusteBrig (Bede)  
Mubarak Akram Malik  
Member Finance  
Al-Majlis Education Trust Rwp.~~

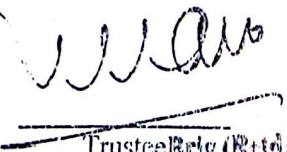
**AL-MUJTABA EDUCATION TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before tax		33,508,019	18,969,150
<b>Adjustment for:</b>			
Bank charges		2,088	50,786
Depreciation		355,647	436,469
Debit balances written off		220,502	-
Operating surplus before working capital changes		34,086,256	19,456,405
<b>Working capital changes:</b>			
<b>(Increase) / decrease in current assets:</b>			
Advances and prepayments		(888,304)	(995,355)
Other receivable - income tax		(1,179,382)	(407,362)
<b>Increase / (decrease) in current liabilities:</b>			
Trade and other payables		(1,602)	58,880
Scholarship payable		29,343,325	18,084,683
Cash generated from operating activities		61,360,293	36,197,251
Income tax paid		(1,082,088)	-
Bank charges paid		(2,088)	(50,786)
Net cash generated from operating activities		60,276,117	36,146,465
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(39,000)	(56,600)
Security deposit - landlord		(29,500)	(10,500)
Short term investments		(38,075,014)	(20,000,000)
Net cash used in investing activities		(38,143,514)	(20,067,100)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase in cash and cash equivalents		22,132,603	16,079,365
Cash and cash equivalents at beginning of the year		50,162,808	34,083,443
Cash and cash equivalents at end of the year		72,295,411	50,162,808

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

*Asst. Secy.*

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

  
**Trustee**  
**Brig (Retd)**  
**Muhammad Akram Malik**  
**Member Finance**  
**Al-Mujtaba Education Trust Rwa.**



**AL-MUJTABA EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. STATUS AND NATURE OF BUSINESS**

AL-MUJTABA EDUCATION TRUST (the Trust) was registered on February 11, 2016 under the Societies Registration Act, 1860. Its registered office is situated at House No. 463, First Floor, Street 17, Chaklala Scheme 3, Rawalpindi. The trust is engaged in:

- The objectives of the 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 fixed assets - Note 3.1 and 4;
- Estimation of contingent liabilities - Note 3.6; and
- Provision for taxation - Note 3.5.

The revisions to accounting estimates (if any) are recognized 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, 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**3.1 Restricted funds**

Restricted grants are the funds that have to be used in accordance with the specific restrictions imposed by the donors or that have been raised by the Foundation for the particular purposes. These funds are taken into statement of income and expenditure to the extent they are utilized for their prime purpose and balance is differed.

**3.2 Fixed assets**

**Initial recognition**

All items of fixed assets are initially recorded at cost. Cost comprises of acquisition and other directly attributable costs.

**Subsequent measurement**

Fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). Repair and maintenance are charged to the statement of income and expenditure as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.

**Depreciation**

All items of fixed assets are depreciated on reducing balance method at rates specified in note 4. Full year's depreciation is charged on additions while no depreciation is charged on assets disposed off during the year.

**Disposal**

The gain or loss arising on disposal or retirement of an item of fixed assets 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 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.

**3.3 Investment**

These are investments which are not classified as "held to maturity". Such investments are held for indefinite period and may be sold in response to needs. These are initially measured at cost and at subsequent reporting dates measured at fair value. Gain or loss on re-measurement of investment to fair value is recognized in statement of income and expenditure.

*22/11/23*

**AL-MUJTABA EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**3.4 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.

**3.5 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.

**3.6 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.

**3.7 Revenue recognition**

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Association and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

- Donation income is recognized on receipt of amount;
- Interest income is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- Incomes other than above are recognized on accrual basis

**3.8 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.

**3.9 Method of preparation of statement of cash flows**

The statement of cash flows is prepared using indirect method.

**3.10 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, cash with banks on current, saving and deposit accounts.

*P. H. M.*



**AL-MUJTABA EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**4. FIXED ASSETS**

Particulars	Office equipment	Furniture and fixtures	Computers and IT equipment	Vehicles	Total
----- Rupees -----					
<b>As at July 01, 2021</b>					
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)
	104,158	288,828	91,676	1,707,642	2,192,304
<b>Year ended June 30, 2022</b>					
Opening net book value	104,158	288,828	91,676	1,707,642	2,192,304
Additions	42,900	13,700	-	-	56,600
Disposals	-	-	-	-	-
Depreciation charge	(22,059)	(45,379)	(27,503)	(341,528)	(436,469)
	124,999	257,149	64,173	1,366,114	1,812,435
<b>As at June 30, 2022</b>					
Cost	233,268	581,171	538,600	2,625,040	3,978,079
Accumulated depreciation	(108,269)	(324,022)	(474,427)	(1,258,926)	(2,165,644)
Net book value	124,999	257,149	64,173	1,366,114	1,812,435
<b>Year ended June 30, 2023</b>					
Opening net book value	124,999	257,149	64,173	1,366,114	1,812,435
Additions	24,000	15,000	-	-	39,000
Disposals	-	-	-	-	-
Depreciation charge	(22,350)	(40,822)	(19,252)	(273,223)	(355,647)
	126,649	231,327	44,921	1,092,891	1,495,788
<b>As at June 30, 2023</b>					
Cost	257,268	596,171	538,600	2,625,040	4,017,079
Accumulated depreciation	(130,619)	(364,844)	(493,679)	(1,532,149)	(2,521,291)
Net book value	126,649	231,327	44,921	1,092,891	1,495,788
Depreciation rate	15%	15%	30%	20%	

**AL-MUJTABA EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>5. ADVANCES AND PREPAYMENTS</b>			
<b>Advances:</b>			
Vocational Centers		103,215	283,855
Staff loan		"	105,000
Income tax		1,544,084	1,179,382
<b>Prepayments:</b>			
Rent		180,000	116,400
Other		525,140	-
		<u>2,352,439</u>	<u>1,684,637</u>
<b>6. SHORT TERM INVESTMENTS</b>			
Term deposits		-	48,000,000
<b>MCB funds:</b>			
Alhamra Islamic Income Fund		-	20,000,000
Alhamra Islamic Money Market Fund	6.1	106,075,014	-
		<u>106,075,014</u>	<u>68,000,000</u>
6.1 The Trust holds 1,065,973.41 units (2022 : NIL) in Alhamra Islamic Money Market Fund with MCB Investment Management Limited.			
	Note	2023 Rupees	2022 Rupees
<b>7. CASH AND BANK BALANCES</b>			
Cash in hand		96,799	17,145
Cash at bank - saving accounts		72,198,612	50,145,662
		<u>72,295,411</u>	<u>50,162,808</u>
<b>8. TRADE AND OTHER PAYABLES</b>			
Payable to vocational center		28,033	5,120
Accrued expenses		84,365	108,880
		<u>112,398</u>	<u>114,000</u>
<b>9. CONTINGENCIES AND COMMITMENTS</b>			
There were no known contingencies and commitments as at reporting date. (2022 : NIL)			

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**AL-MUJTABA EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>10. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits		3,059,564	2,665,182
Travelling and conveyance		360,762	403,576
Vehicle running		334,220	214,823
Printing and stationery		213,473	267,888
Office rent		939,882	672,494
Entertainment		218,053	178,416
Utilities		360,916	263,467
Repair and maintenance		324,120	109,463
Legal and professional		164,300	25,000
Books and newspaper		136,066	103,899
Fee and subscriptions		-	5,000
Postage		98,108	80,391
Chairman's visit		17,450	16,439
Sanitation		18,323	-
Auditors' remuneration		25,000	25,000
Miscellaneous		523,728	254,768
Debit balances written off	10.1	220,502	-
Depreciation	4	355,647	436,469
		<u>7,370,114</u>	<u>5,722,275</u>
<b>10.1 Debit balances written off</b>			
Vocational center		210,502	-
Loan to staff		10,000	-
		<u>220,502</u>	<u>-</u>

**11. EVENTS AFTER THE END OF THE REPORTING DATE**

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


**12. FIGURES**

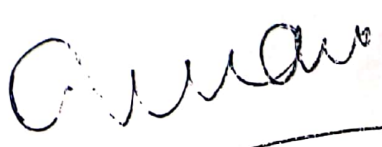
In these financial statements figures have been rounded off to the nearest Rupee and those of the previous year have been re-arranged and re-grouped wherever necessary to facilitate comparison.

**13. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on August 30, 2024 by the trustees of the Trust.

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

  
**Trustee (Retd)**  
**Muhammad Akram Malik**  
**Member Finance**  
**Al-Mujtaba Education Trust Rwp.**