

M/S MASKATIYA CHARITABLE TRUST

FIANANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

Opinion

We have audited the financial statements of **MASKATIYA CHARITABLE TRUST** which comprise the statement of financial position as at June 30, 2019, and the Income and Expenditure Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Trust are prepared in all material respects in accordance with generally accepted accounting principles described in note 2.2 to the financial statements.

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 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 our opinion.

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

The Trustees are responsible for the preparation of the financial statements in accordance with basis of accounting described in note 2.2 to the financial statements, and for such internal control as the trustees determine 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, 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 trustees either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust financial reporting process.

Auditor's 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 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 Trust'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 trustees 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 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.

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.



**CHARTERED ACCOUNTANTS
KARACHI**

ENGAGEMENT PARTNER: YOUNUS RIZWANI SHEIKH

DATE: 07 OCT 2019

M/S MASKATIYA CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<u>PROPERTY AND ASSETS</u>			
Land and building		37,679,763	37,679,763
Operating fixed assets	3	604,989	715,896
Investments		1,255,276,820	1,057,930,705
		1,293,561,572	1,096,326,364
<u>CURRENT ASSETS</u>			
Advances, deposits and prepayments		12,000	50,000
Cash and bank balances	4	16,900,021	18,399,392
		16,912,021	18,449,392
		1,310,473,593	1,114,775,756
<u>RESERVE AND LIABILITIES</u>			
Payable to Maskatiya Industries (Pvt.) Limited		195,900,000	-
Excess of receipt over payments		1,114,573,593	1,114,775,756
		1,310,473,593	1,114,775,756

The annexed notes form an integral part of these accounts.

TRUSTEE

KARACHI

TRUSTEE

MASKATIYA CHARITABLE TRUST
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Note</u>	<u>2019</u> Rupees	<u>2018</u> Rupees
RECEIPT			
Income	5	97,010,929	92,708,252
PAYMENTS			
Adopted school running expense	6	(67,057,224)	(67,879,741)
Charities and donation	7	(20,000,000)	(10,000,000)
Administrative and financial expenses	8	(10,155,868)	(9,853,086)
		(97,213,092)	(87,732,827)
Excess of receipt over payments		(202,163)	4,975,425
Balance brought forward		1,114,775,756	1,109,800,331
Balance carried forward		<u>1,114,573,593</u>	<u>1,114,775,756</u>

The Annexed notes form an integral part of these accounts.


 TRUSTEE
 KARACHI


 TRUSTEE

**M/S MASKATIYA CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 2019**

1 STATUS AND NATURE OF OPERATIONS

The Maskatiya Charitable Trust is registered under the Trust Act, 1882

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are

2.1 BASIS OF ACCOUNTING

These financial statements have been prepared under the generally accepted accounting principles as applied to not-for-profit organizations in Pakistan.

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared on the basis of historical cost convention without any adjustments for the effects of inflation or current values.

2.3 PROPERTY AND EQUIPMENT AND DEPRECIATION

Property & equipment are stated at cost less accumulated depreciation except land which is stated at revalued amount. Depreciation is charged to income applying the declining balance method. Depreciation is charged on additions from the date when the asset is put in use while no depreciation is charged on items disposed off during the year.

Maintenance and normal repairs are charged to income as and when incurred. Gains and losses on disposal of assets, if any, are included in income, currently.

2.4 INVESTMENTS

These are stated at cost.

2.5 REVENUE RECOGNITION

Income is recognized as and when received.



3 Operating fixed assets

PARTICULARS	COST		DEPRECIATION		W.D.V	
	As At 01-07-2018	Addition (Deletion)	As At 30-06-2019	As At 01-07-2018	As At 30-06-2019	RATE
Vehicle	2,519,500	-	2,519,500	2,126,327	2,204,962	20%
Equipments	704,650	-	704,650	483,288	505,424	10%
Furniture and Fixture	323,000	-	323,000	221,630	231,775	10%
Total - 2019	3,547,150	-	3,547,150	2,831,244	2,942,161	
Total - 2018	3,547,150	-	3,547,150	2,607,102	2,831,254	

*Asst
Manager*

4 Cash and bank Balances

	2019 Rupees	2018 Rupees
Cash at banks	16,850,310	18,028,347
Cash in hand	49,711	371,045
	<u>16,900,021</u>	<u>18,399,392</u>

5 Income

Profit on investment in TDR	576,249	676,537
Dividend on shares	35,834,680	61,031,715
Donation	60,600,000	31,000,000
	<u>97,010,929</u>	<u>92,708,252</u>

6 Adopted School Running Expenses

Salaries	52,968,220	53,059,150
Staff welfare	1,367,951	1,096,649
Students fee and uniform	4,400,000	5,785,600
Foods for students	5,323,575	5,112,880
Stationery	228,748	250,036
Cartage	1,200	-
Cleaning expense	145,036	126,181
Students scholarship	1,420,000	1,710,000
Fee and subscription	-	40,000
Utility bills	630,980	343,672
Repair and maintenance	571,514	355,573
	<u>67,057,224</u>	<u>67,879,741</u>

7 Charity and Donation

Charities and donation	20,000,000	7,500,000
Donations miscellaneous	-	2,500,000
	<u>20,000,000</u>	<u>10,000,000</u>

8 Administrative and Financial Expense

Insurance expense	815,849	798,104
Bank charges	91,839	169,304
Depreciation	110,907	134,151
Utility bills	-	45,654
Rent, rate & taxes	128,095	119,091
Furniture for classrooms	-	283,000
Phoenix rmour	61,516	-
WHT on dividend	4,871,203	-
Legal & professional charges	60,000	-
CDC charges	116,459	72,230
Repairs of adopted schools	3,900,000	8,231,552
	<u>10,155,868</u>	<u>9,853,086</u>

9 General

Figures in these accounts have been rounded off to the nearest rupee.


TRUSTEE
KARACHI


TRUSTEE