

M/S MASKATIYA CHARITABLE TRUST

FIANANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 2020

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, 2020, and the Statement of Receipts and Payments 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 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:

M/S MASKATIYA CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
<u>PROPERTY AND ASSETS</u>			
Land and building		37,679,763	37,679,763
Fixed Assets	3	513,035	604,989
Investment in Shares		1,255,276,820	1,255,276,820
		<u>1,293,469,618</u>	<u>1,293,561,572</u>
<u>CURRENT ASSETS</u>			
Advances, Deposits and Prepayments		16,000	12,000
Cash and Bank Balances	4	15,358,197	16,900,021
		<u>15,374,197</u>	<u>16,912,021</u>
		<u>1,308,843,815</u>	<u>1,310,473,593</u>
<u>RESERVE AND LIABILITIES</u>			
Payable to Maskatiya Industries (Pvt) Limited		185,400,000	195,900,000
Excess of Receipt over payments		1,123,443,815	1,114,573,593
		<u>1,308,843,815</u>	<u>1,310,473,593</u>

The Annexed notes form an integral part of these accounts.



TRUSTEE
Karachi

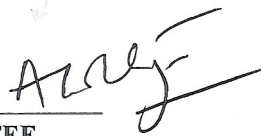



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MASKATIYA CHARITABLE TRUST
RECEIPT AND PAYMENTS ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
RECEIPT			
Other Income	5	122,897,151	97,010,929
PAYMENTS			
Adopted School Running Expense	6	(82,957,949)	(67,057,224)
Charities and Donation	7	(22,129,600)	(20,000,000)
Administrative and Financial Expenses	8	(8,939,380)	(10,155,868)
		<u>(114,026,929)</u>	<u>(97,213,092)</u>
Excess of Receipt over payments		<u>8,870,222</u>	<u>(202,163)</u>
Balance brought forward		1,114,573,593	1,114,775,756
Balance carried forward		<u><u>1,123,443,815</u></u>	<u><u>1,114,573,593</u></u>

The Annexed notes form an integral part of these accounts.


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TRUSTEE

M/S MASKATIYA CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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 set out below.

2.1 BASIS OF ACCOUNTING

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

2.2 ACCOUNTING CONVENTION

These accounts 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 and 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.

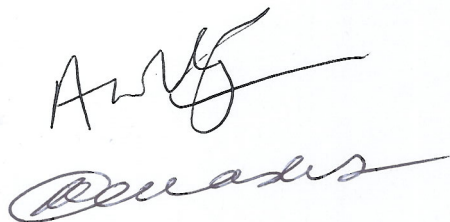
Gains and losses on disposal of assets, if any, are included in income, currently.

2.4 INVESTMENTS

These are stated at cost.

2.5 REVENUE RECOGNITION

Income is recognized as and when received.



MASKATIYA CHARITABLE TRUST

3. SCHEDULE OF FIXED ASSETS

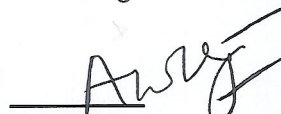
AS AT JUNE 30, 2020

PARTICULARS	COST			DEPRECIATION		W.D.V As At 30-06-2020	RATE
	As At 01-07-2019	Addition (Deletion)	As At 30-06-2020	As At 01-07-2019	For The Year	As At 30-06-2020	
Vehicle	2,519,500	-	2,519,500	2,204,962	62,908	2,267,870	20%
Equipments	704,650	-	704,650	505,424	19,923	525,347	10%
Furniture and Fixture	323,000	-	323,000	231,775	9,123	240,898	10%
Total - 2020	3,547,150	-	3,547,150	2,942,161	91,954	3,034,115	
Total - 2019	3,547,150	-	3,547,150	2,831,254	110,907	2,942,161	

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Deceased

4	<u>Cash and bank Balances</u>	2020	2019
		Rupees	Rupees
	Cash at Bank	15,257,648	16,850,310
	Cash in Hand	100,549	49,711
		15,358,197	16,900,021
5	<u>Other Income</u>		
	Profit on Investment in TDR	650,551	576,249
	Dividend on Shares	34,239,050	35,834,680
	Donation	88,007,550	60,600,000
		122,897,151	97,010,929
6	<u>Adopted School Running Expenses</u>		
	Salaries and Wages	64,925,000	52,968,220
	Staff Welfare	518,851	1,367,951
	Students Fee and Uniform	2,675,000	4,400,000
	Foods for Students	11,638,593	5,323,575
	Stationery	225,373	228,748
	Cartage	4,100	1,200
	Cleaning Expense	143,316	145,036
	Students Scholarship	1,360,000	1,420,000
	Students Assistance Program	212,100	-
	Utility Bills	600,620	630,980
	Repair and Maintenance	654,996	571,514
		82,957,949	67,057,224
7	<u>Charity and Donation</u>		
	Charities and Donation	16,000,000	20,000,000
	Donations Misc	6,129,600	-
		22,129,600	20,000,000
8	<u>Administrative and Financial Expense</u>		
	Insurance Expense	823,637	815,849
	Bank Charges	155,802	91,839
	Depreciation	91,954	110,907
	Rent, Rate & Taxes	128,095	128,095
	Phoenix Armour	-	61,516
	WHT Dividend	5,135,859	4,871,203
	Legal & Professional Charges	-	60,000
	CDC Charges	-	116,459
	Repairs of Adopted Schools	2,604,033	3,900,000
		8,939,380	10,155,868

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


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