



MIAN NAIM ASIF RASHID & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAKARGANJ FOUNDATION

Opinion

We have audited the annexed financial statements of **Shakarganj Foundation**, which comprise the statement of financial position as at **June 30 2024** and the income and expenditure account, the statement of changes in funds and the statement of cash flows for the year then ended and notes to the account including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of **Shakarganj Foundation** as at **June 30 2024** its financial performance and its cash flows for the year ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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 **Shakarganj Foundation** 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 management of **Shakarganj Foundation** 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 controls as the management of **Shakarganj Foundation** determines 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 of the **Shakarganj Foundation** is responsible for assessing the ability to continue as a going concern, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the **Shakarganj Foundation** or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing **Shakarganj Foundation** financial reporting process.

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Auditor's Responsibilities for the Audit of 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 decisions of users taken on the basis of these financial statements.

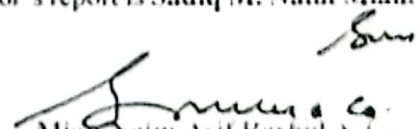
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 controls 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 Shakarganj Foundation 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 Shakarganj Foundation'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 Shakarganj Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, 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 Sadiq M. Naim Mian.

Date: October 03, 2024
Lahore,


Mian Naim Asif Rashid & Co.
Chartered Accountants

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SHAKARGANJ FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	3	13,862	17,650
CURRENT ASSETS			
Receivable From Health Care Team		57,483	57,473
Receivable From Jhang Art Gallery		44,000	35,000
Prepayments		11,366	12,818
Advance income tax		2,819	2,819
Cash and bank balances	4	25,895	48,453
		141,563	156,563
TOTAL ASSETS		155,425	174,213
FUND AND LIABILITIES			
FUND		(459,283)	(507,595)
CURRENT LIABILITIES			
Accrued liabilities	5	531,890	646,624
Withholding Tax		82,818	35,184
TOTAL LIABILITIES		614,708	681,808
CONTINGENCIES AND COMMITMENTS	6		
TOTAL FUND AND LIABILITIES		155,425	174,213

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


MEMBER




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SHAKARGANJ FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
INCOME			
Fee from patients		107,880	119,200
Fee from the School of Calligraphy and Art		327,500	166,500
Donations		18,519,932	9,107,819
		18,955,312	9,393,519
EXPENDITURE			
Adopted Educational Institutions and Literacy Centre expe	7	3,399,308	1,969,758
School of Calligraphy and Arts	8	898,551	835,242
Health Care Program	9	4,605,956	4,168,338
		8,903,815	6,973,338
Stipend		406,320	344,450
General and administrative expenses	10	9,596,865	2,979,362
		18,907,000	10,297,150
DEFICIT BEFORE TAX		48,312	(903,631)
TAXATION	2.8	-	-
SURPLUS / (DEFICIT) AFTER TAX		48,312	(903,631)

The annexed notes form an integral part of these Financial statements.


MEMBER



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SHAKARGANJ FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2024

	Rupees
Balance as at 30 June 2022	396,036
Deficit for the year	(903,631)
Balance as at 30 June 2023	(507,595)
Deficit for the year	48,312
Balance as at 30 June 2024	(459,283)

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


MEMBER


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SHAKARGANJ FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	48,312	(903,631)
Adjustments for:		
Depreciation	3,788	4,951
Cash (used in) operating activities before working capital changes	52,100	(898,680)
(Increase) / decrease in current assets		
Prepayments	1,452	(6,838)
Receivable From Health Care Team	(10)	-
Receivable From Jhang Art Gallery	(9,000)	(35,000)
	(7,558)	(41,838)
Increase / (decrease) in current liabilities		
Withholding tax	47,634	30,184
Accrued liabilities	(114,734)	571,624
	(67,100)	601,808
Cash (used in) operations	(22,558)	(338,710)
Tax paid	-	-
Net cash (used in) operating activities	(22,558)	(338,710)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net (decrease) in cash and cash equivalents	(22,558)	(338,710)
Cash and cash equivalents at the beginning of the year	48,453	387,163
Cash and cash equivalents at the end of the year	25,895	48,453

The annexed notes from an integral part of these financial statements


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SHAKARGANJ FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2024

1 FOUNDATION AND ITS OBJECTS

Shakarganj Foundation ("the Foundation") has been duly registered under Societies Act, XXI of 1860 to promote, finance, run, manage and maintain educational institutions at places determined by the Board and to maintain the highest possible academic standards for such institutions, to build, aid, assist and run hospitals, clinic, dispensaries, to promote the welfare of the poor and the needy through welfare institutions, to promote an awareness of health issues etc. Registered office of the Foundation is situated at Executive Floor, IT Tower, 73 E I, Hali Road, Gulberg III, Lahore.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- Revised Accounting and Financial Reporting Standards for Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan; and
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

b) Accounting convention

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Foundation's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the foundation financial statements or where judgments were exercised in application of accounting policies are as follows:

- Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the foundation. Further, the foundation reviews the value of assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

2.2) Revenue

Fee income is recognized on accrual basis.

2.3) Grants

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Foundation will comply with all attached conditions. Fair value signifies the amount received in cash and current market value in case of grant received in kind. Grants related to income are recognized on a systematic basis as income over the period necessary to match them with related expenses incurred in accordance with terms of the respective project agreements.

Grants / donations that are received or become receivable as compensation for expenses incurred or for the purpose of giving immediate financial support to the foundation, with no future related cost, are recognized as income of the period in which these are received or become receivable.

2.5) Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.6) Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.7) Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure account during the period in which they are incurred.

Depreciation on fixed assets is charged to income and expenditure account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 3.1. The Foundation charges depreciation on additions from the month when the asset is available for use and on deletions upto the month when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

An item of fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in income and expenditure account in the year the asset is de-recognized.

2.8) Taxation

The Foundation is exempt from provision of Income Tax vide notification No. RTO/58(3)/Shakarganj/SO-II/3254 dated 27 December 2010.

	Note	2024 Rupees	2023 Rupees
3 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	13,862	17,650
		13,862	17,650
4 CASH AND BANK BALANCES			
Cash in hand		3,872	19,068
Cash at banks		22,023	29,385
		25,895	48,453
5 ACCRUED LIABILITIES			
Audit fee		25,000	25,000
Jhang art gallery		314,323	283,017
Others		192,567	338,607
		531,890	646,624

	2024	2023
	Rupees	Rupees
6 CONTINGENCIES AND		
There were no significant contingencies and commitments as at the reporting date.		
7 ADOPTED EDUCATIONAL INSTITUTIONS AND LITERACY		
Scholarship awarded	260,000	360,000
Nutritional program	1,986,320	847,860
Repair maintenance	12,000	20,000
Education	1,140,988	741,898
	3,399,308	1,969,758
8 SCHOOL OF CALLIGRAPHY AND ARTS		
Material cost and miscellaneous expenses	510,971	369,882
Staff salaries	148,000	204,000
Rent	239,580	261,360
	898,551	835,242
9 HEALTH CARE PROGRAM		
Salaries	3,627,770	2,877,979
Vehicle running	476,140	500,988
Medicines, minor medical equipment and first aid	394,300	679,279
Medical treatment- artificial limbs	17,100	38,000
Miscellaneous	90,646	72,092
	4,605,956	4,168,338
10 GENERAL AND ADMINISTRATIVE EXPENSES		
Staff salaries	9,042,434	2,434,325
Vehicle running expenses	356,174	306,170
Printing and stationery	-	15,725
Misc. expenses & Uniforms / Branding & Marking Exp.	-	8,290
Legal charges	-	1,500
Insurance	77,092	80,546
Photography and entertainment	77,165	79,518
Audit fee	25,000	25,000
Bank charges	9,612	18,337
Loading and unloading expenses	5,600	5,000
Depreciation	3,788	4,951
	9,596,865	2,979,362

11 DATE OF APPROVAL

These financial statements were authorized for issue on 02-10-2024 by the Board of Governors of the Foundation.

12 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified wherever necessary, for the purpose of comparison. However, no significant rearrangements and reclassification have been made during the year.

13 GENERAL

Figures have been rounded off to the nearest rupees unless otherwise stated.


MEMBER.


MEMBER



3.1. Operating Fixed Assets:

Particulars	COST			DEPRECIATION				Amount in Rupees
	As On	Additions/ (Deletions)	As On	Rate	Accumulated	Charged	Accumulated	Written Down
	01 JULY 2023	During The Year	30 JUNE 2024	%	As On 01 JULY 2023	For The Year	As On 30 JUNE 2024	Value As At 30 JUNE 2024
Furniture and Fixtures	13,964	-	13,964	20%	11,085	576	11,661	2,303
Office Equipment	47,665	-	47,665	40%	46,375	516	46,891	774
Vehicles	65,238	-	65,238	20%	51,784	2,691	54,475	10,763
Water and Electric Equipment	133	-	133	20%	106	5	111	22
2024	127,000	-	127,000		109,350	3,788	113,138	13,862
2023	127,000	-	127,000		104,399	4,951	109,350	17,650

Allocation of Depreciation:

	2024 RUPEES	2023 RUPEES
Administrative Expenses	3,788	4,951
	3,788	4,951